Daily Report

Latin America

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Cuba

Reaction to GRANMA Editorial on Bush

Commentary on Article

FL2405180589 Havana Radio Rebelde Network in Spanish 1700 GMT 24 May 89

[Station Commentary]

[Text] The editorial on the front page of today's GRANMA, official organ of the Communist Party of Cuba's [PCC] Central Committee, is a strong answer to the stale and pretentious remarks by U.S. President George Bush. Above all, Cuba has let the U.S. leader know, in case he did not already know it, that the motto: Socialism or Death is not a game of rhetoric for our people. It is a real option which we are willing to prove at any moment, whenever the situation calls for it.

No doubt influenced by the servile presence of his cohorts, the bull of Bush was the bull of the master employees before his lackeys. Bush, as GRANMA accurately states, seemed more like the consul of the worms in Miami than the President of the United States, because his statements about Cuba are lacking the seriousness and responsibility that a U.S. President should possess.

The prepotency of the U.S. President was as insulting as it was extemporaneous. In essence, what Bush said was that if Cuba wanted to improve its relations with the United States, first it would have to fold up its socialist flags and coweringly assimilate itself to democracy, as understood by the empire.

Does Bush think that Cuba is one of his banana republics? What does Bush base his opinions on to make such hallucinatory demands? Has Cuba asked for an improvement in its relations with the United States? If this should ever happen, Bush should know that it will have to be based on equality and respect. To reach this stage with impositions of another nature is entirely without political logic and coherence and nothing can be achieved from this except to look ridiculous.

As for the threats, the U.S. President could well have saved his breath. It is worth repeating GRANMA's headline: For the Cuban People, Socialism or Death is a Real Alternative. It is better to stop being than to stop being revolutionary.

More on Statements

FL2405192389 Havana Tele-Rebelde Network in Spanish 1700 GMT 24 May 89

[Text] The newspaper GRANMA published today on its front page an editorial entitled: For the Cuban People Socialism or Death is a Real Option. It refers to the recommendation made by Mr George Bush to hold a plebiscite in Cuba in which, as he said, the people's will prevails. This is the same George Bush who was elected President of the United States last November. Around 45 percent of its voters did not go to the polls in this country. In other words, Bush took over the Presidency with barely one third of the people's vote.

The editorial says: He is making recommendations to us, 7,117,000 of whom voted for our municipal government organs less than a month ago. This is 98.3 percent of the possible votes.

Based on these facts, which make him a virtual de facto president, if we adhere to the strict definition of democracy, Mr George Bush should concern himself, above everything else, with legitimizing his presidential seat.

But he, GRANMA adds, prefers to give recipes to the neighboring Cuban people following the course of previous U.S. Administrations. For this, he chose a conspicuous place, date, and audience. He decided to give the recipes in the White House, the presidential mansion, on 20 May. This can be understood to a certain extent. The celebration of the so-called Cuban independence, 20 May 1902, the date of a transition from a Spanish colony to a U.S. neocolony, could only be marked in the White House.

Then, the editorial says, Mr Bush gave with his habitual arrogance his list of demands: holding of a plebiscite, democratic reforms, release of counterrevolutionary prisoners, nonintervention in internal affairs of other states, access to Cuba of international prohuman rights groups, and free and unhindered emigration of Cuban citizens. Mr Bush threatened that as long as these demands are not satisfied, he would continue to oppose Cuba's return to the OAS, continue broadcasts of the so-called Radio Marti, and go on with the anti-Cuban television project of the same name.

GRANMA adds that using an old argument about the problems socialism is facing today, the U.S. President asserted that the totalitarian systems in the entire world are facing new pressures from the people and challenged Cuba to let the people's will prevail.

The editorial says: It is appropriate to ask, why all this? What bothers Mr George Bush so much that he made his first public statement on Cuba a virulent libel against a historic reality that has existed for 30 years? It seems that the new President and the circles that govern the country believe they have in sight the disaster of socialism world-wide. Intoxicated with this mirage they are especially stung by the fact that they have a healthy, disaster-free socialism next to their borders.

They predict the crumbling of socialism and do not stand the idea of coexisting with people that many years ago said: We would rather cease to exist than stop being revolutionaries and now have made current our decision with a categoric: Socialism or death.

GRANMA reiterates that their proposals and threats to make Cuba change its behavior and policies merit reflection. For example, regarding his demands, Mr George Bush magically supports what he calls free and unhindered emigration. Should we then understand that the U.S. Government wants migration terms such as the ones of 1980, or do they prefer the ones agreed on between the two governments?

Nevertheless, in his crazy statements, he did not say—and this is strange—a single word to the pit of worms about the fact that the immigration agreements signed between Cuba and the United States are being blatantly violated by Washington. Of the more than 20,000 visas per year that it should have granted, it only has authorized a few hundred in 1989. It did more or less the same thing last year. In his threats he warned that he will go ahead with the so-called Television Marti project. Doesn't President Bush realize that this idea, for the Cuban people, is something more than an act that violates the international regulations and laws by broadcasting television signals to a state without its consent? Doesn't he see that a serious sovereignty problem is implicit and that it is going to unavoidably lead to a poisoning of the international atmosphere to limits George Bush himself cannot imagine?

Even more treacherous are his remarks favoring reforms to meet the demands of the people and make the people's will prevail.

Mr Bush, this nation irreversibly opted for socialism, Marxism-Leninism, and will not pay attention to proposals that are different from the basic orientation of society. Here, as much as you may hate it, you will not see capitalist renovations wearing a socialist disguise. Nobody gave us our freedom. The same millions who just went to the polls are ready to preserve this freedom because they are also militias.

Finally, the GRANMA editorial stresses: For the Cuban people, and it is about time you knew it, the alternative of socialism or death is a real option, an option that is expressed in battle or in death.

Commentator Cites Editorial

PA2505050089 Havana International Service in Spanish 0015 GMT 25 May 89

["Our America" commentary read by Manolo Ortega]

[Text] The newspaper GRANMA, the official organ of the Central Committee of the Communist Party of Cuba, published an editorial on relations between Cuba and the United States. Salient parts of the editorial are as follows:

U.S. President George Bush recommended that Cuba hold a plebiscite to allow what he called the people's will to prevail. This is the same Bush who last November was elected president of the United States, a country in which approximately 45 percent of the voters—barely ⅓ of the eligible voters—abstained from going to the polls. [sentence as heard] In view of this reality, Bush assumed the post of de facto president, if one adheres to the definition of democracy in the strict sense of the word. Mr Bush should be concerned about legalizing his presidential post.

Yet he recommended that Cuba hold a plebiscite. In our country, more than 7 million Cubans—98.3 percent of eligible voters—voted for our municipal government organizations less than a month ago. But the U.S. President preferred offering recommendations to the neighboring country of Cuba, following in the steps of the former U.S. Administrations. He did so at the White House on 20 May, date of the so-called Cuban independence. The date 20 May 1902 is one of sad remembrance for legitimate Cubans, because it represents the transition from a Spanish colony to a U.S. neocolony. President Bush made his anti-Cuban statements before an especially select crowd—some 230 leaders of the so-called Cuban-American community—a group of Cubans without a fatherland, Cubans who abandoned Cuba in the heat of the Revolution. Among those heading the strange constellation of neoautonomists and neoannexationists was Armando Valladares, the terrorist and frustrated Batista policeman who served a sentence in Cuba for crimes against state security. On this occasion, President Bush noted with his usual arrogance a list of demands for Cuba, including the holding of a plebiscite, the release of counterrevolutionary prisoners, access to Cuba of international human rights groups, and free emigration of Cubans. One needs to ask: What is it that bothers Mr George Bush so much that his first statements on Cuba have been a virulent slander of a historic reality that has existed for 30 years? The United States seemingly envisions the international debacle of socialism and, stunned by this mirage, shudders at having close to its borders socialism without a debacle, healthy socialism. Obviously, the U.S. Government cannot stand the idea of coexisting with a peoples who many years ago stated: One must first cease to exist before ceasing to be a revolutionary. Now this motto has been updated to the categoric: Socialism or death.

One needs to ask Bush: Who said Cuba is interested in new relations with the United States? The White House speaks of a rapprochement with Cuba if the Cuban Revolution stops being what it is, surrenders its flags, and returns to the ignominous fold. To be accepted by a President who in the past governed shady CIA deals, Cuba must undergo a test already passed by others to win the credential of acceptance. One is amazed at Mr Bush's belligerence. His administration has been characterized by indecision, which has led him to hesitate even about appointing his own officials.

One should also reflect on Bush's proposals and threats so that Cuba will change its attitude and policies. The U.S. President came out in favor of emigration without obstacles. Are we to interpret, for instance, that he wants

emigration terms similar to those of 1980, when antisocial elements left via Mariel for Miami? Or does he prefer the immigration terms already agreed to by the two governments? In this case, the current White House occupant did not say the immigration agreements signed between Cuba and the United States are being openly violated by Washington. Of more than 20,000 visas that should be granted yearly, only a few hundred visas have been authorized this year. Bush noted in his threats that he will continue with the plan of anti-Cuban television. Does he not realize this involves a serious issue of sovereignty that will poison the international climate to levels not even suspected by George Bush?

He also came out for reforms in Cuba that will ensure that the people's will would prevail. But this people opted irreversibly for socialism, for Marxism - Leninism, and will not give room to proposals not in keeping with the basic structure of its society. In Cuba, we will not have capitalist renewals with a socialist guise. Nobody gave us our liberty. To preserve it, we are preparing with the same million Cubans who went to the polls, because they are also militiamen. For the Cuban people, the option of socialism or death is a real one. It is an option expressed by holding the shield or being carried on the shield.

Workers Express Support

FL2505022089 Havana Radio Reloj Network in Spanish 0212 GMT 25 May 89

[Text] The men and women of the Central Organization of Cuban Trade Unions [CTC] have unanimously approved the editorial published today in the GRANMA newspaper. The workers also expressed their support for Fidel and the policies of the Communist Party of Cuba in the areas of production, defense, and services. They also denounced the declarations made by U.S. President George Bush.

Government Following Panama 'With Interest'

FL2405131689 Mexico City NOTIMEX in Spanish 0354 GMT 23 May 89

[Text] Havana, 23 May (NOTIMEX)—The Cuban Government is following with interest the development of events in Panama to form an opinion on the matter and not make hasty judgments. This was noted here by Foreign Ministry sources.

Regarding the commission composed of the OAS secretary general and foreign ministers from Ecuador, Guatemala, and Trinidad and Tobago, the sources said they are observing the activities and result of the mission which began its work today.

The Havana media has reported on the events in Panama on a daily basis and has special correspondents on site.

The Cuban Government has stated that sovereignty should be respected and foreign intervention in the internal affairs of countries should be rejected.

Foreign Ministry sources stated that any accusation made by the United States will not be credible inasmuch as it would be motivated by political interests as in the case of maintaining control over the Panama Canal.

Noriega: U.S. Decision 'Disastrous Precedent'

FL2405234789 Havana Tele-Rebelde Network in Spanish 1700 GMT 24 May 89

[Interview with General Manuel Antonio Noriega, chief of the Panama Defense Forces; date and place not given—recorded]

[Text] The decision reached by the United States at the OAS, made by pressuring all the Latin American peoples, is an absolutely disastrous precedent and it will generate its own consequences. We have no doubt that what has happened to Panama will happen to any other Latin American country and those same consequences will later be seen.

The fact that the supreme leader of the United States, Bush, has made me the object of a resolution simply demonstrates the total political inability of the United States and that all its political representatives that work in the embassy are greatly disinformed. The U.S. Embassy here in Panama has been lacking in the area of analysis. It has been suffering from an imperialist alignment, which is why all its presidents make errors. Errors are being made that the President, the supreme leader of the most-powerful nation in the world, should not make.

OAS Delegation Meeting With Solis Palma

FL2405183289 Havana Radio Reloj Network in Spanish 1700 GMT 24 May 89

[Text] On its 2d day in Panama, the OAS delegation will today meet with the presidential candidates of the elections whose results were annulled: the pro-government candidate Carlos Duque and the pro-American opposition candidate Guillermo Endara.

Yesterday the mission, which is made up of OAS General Secretary Joao Baena Soares and the foreign ministers of Ecuador, Guatemala, and Trinidad and Tobago, met with the minister in charge of Panama's Presidency, Manuel Solis Palma. Solis Palma offered the commission all the facilities to carry out its mission after giving them a brief account of events in Panama before, during, and after the elections which led up to their annulment by the electoral tribunal.

Solis Palma said that due to the crisis in the country caused by the United States, it was evident that the conditions for an election did not exist. Nevertheless, an effort was made to carry them out.

The Ecuadorean minister, Diego Cordovez, said that the OAS delegation will try to come up with proposals for an agreement. The delegation will not impose anything

because the situation that is being analyzed should have a Panamanian solution, given by the Panamanians. This is the primary mission of the delegation.

For his part, the Guatemalan minister, Mario Palencia, said that ultimately, it will be the Panamanian people who decide their destiny. Up to now, it has not been announced how long the OAS delegation will remain in Panama. The delegation will have to present a report at OAS headquarters on 6 June.

So far, the Panamanian press has criticized the delegation with headlines such as: The OAS Has Offended Panama's Dignity; The OAS Delegation, on the Edge of the Knife; and The OAS Comes With the Intent of Destroying Panama.

Gerasimov: U.S. Should Not Impose Standards
FL2405215189 Havana Radio Reloj Network in Spanish 1922 GMT 24 May 89

[Text] The imposition of models convenient to Washington, as demonstrated in a recent speech by President George Bush, should be excluded from international relations, Gennadiy Gerasimov said today.

During a meeting with the press, the Soviet spokesman commented on the remarks Bush made last Monday to a group of U.S. citizens of Cuban origin. Gerasimov described Bush's statements as being harsh and he said that Bush was trying to impose the standards of the United States on Cuba.

Olympic Committee Supports Broadcasting Request
FL2405223189 Havana Radio Reloj Network in Spanish 1903 GMT 24 May 89

[Text] The U.S. Olympic Committee will support the request made by the ABC television network for a commercial license to broadcast the Pan-American Games. Robert Helmick, president of the U.S. committee, said that he would do whatever possible to solve that situation. At the same time, he recognized that delays are characteristic when requesting licenses from the U.S. State and Treasury Departments.

In statements made to the Cuban press, Helmick said that the Cuban and U.S. olympic committees have maintained excellent relations in sports for several years now and all U.S. citizens would like to watch the games on television.

Jose Ramon Fernandez, chairman of the committee organizing the 1991 Pan-American Games, said that not granting the broadcast license to ABC is an attack against sports.

Carlos Rafael Rodriguez Arrives in Maputo
FL2405160589 Havana Radio Reloj Network in Spanish 1402 GMT 24 May 89

[Text] Carlos Rafael Rodriguez, vice president of the Council of State and member of the Communist Party of Cuba Politburo, arrived in Maputo, Mozambique today. He is on a 3-day official visit. Mozambican Prime Minister Mario da Graca Machungo and other Frelimo [Mozambique Liberation Front] leaders welcomed the Caribbean statesman. Rodriguez will begin official talks with local authorities beginning tomorrow.

Among the activities included in the agenda are a visit to the Museum of the Revolution and a meeting with Marcelino dos Santos, president of the People's Assembly, and Jorge Rebelo, secretary of the Frelimo Central Committee.

After Rodriguez concludes his visit, he will attend the South-South meeting that will be held in Mozambique beginning on 27 May. Rodriguez will head the Cuban delegation to the meeting.

Official Continues Work Program at Vatican
FL2405152689 Havana Radio Progreso Network in Spanish 1100 GMT 24 May 89

[Text] Jose Felipe Carneado, chief of the Religious Affairs Department of the Communist Party of Cuba Central Committee, continues his work program at the Vatican today. Carneado met with Peter-Hans Kolvenbach, superior general of the Society of Jesus. The Cuban official is discussing Pope John Paul II's visit to Cuba, among other matters. Carneado has been in Rome since Sunday [21 May] at the invitation of Cardinal Roger Echegaray, president of the Pontifical Commission for Justice and Peace.

Angolan Labor Minister Visits CTC Headquarters
FL2505022189 Havana Radio Reloj Network in Spanish 0212 GMT 25 May 89

[Text] A delegation from the Angolan Labor Ministry, presided over by Diogo Jorge de Jesus, has visited the national office of the CTC [Central Organization of Cuban Trade Unions] where he held talks and expressed his views on labor matters. One of the topics discussed was the work done by the International Labor Organization.

During his stay in Cuba, the Angolan minister will visit factories where he will speak with workers and leaders.

Castro's Recognition Uplifts Contingent
FL2405141889 Havana Tele-Rebelde Network in Spanish 1100 GMT 24 May 89

[Text] Commander in Chief Fidel Castro's recognition of the Hermanos Martinez Tamayo Contingent gave great enthusiasm to the members of that organization.

Castro admired the level of productivity they have in the fulfillment of building the nickel plant in Las Camariocas. In every earth moving, construction, and industrial building brigade, the news notably pleased the workers who have been laboring here for the past year.

During this period, the workers have doubled production value and have tripled it in comparison to what was achieved in 1987. So far this month, they have a good rate of production with some 60 projects in various initial phases. These projects are in the new nickel industry. The contingent works a 14-hour a day work schedule.

Crombet Welcomes Arriving Internationalists

FL2405153989 Havana Radio Progreso Network in Spanish 1100 GMT 24 May 89

[Text] One hundred and fifty more internationalist combatants have arrived in the country from Angola. Jaime Crombet, secretary of the Communist Party of Cuba Central Committee, welcomed the group.

Internationalists in Mozambique Receive Medal

FL2405162889 Havana Radio Reloj Network in Spanish 1404 GMT 24 May 89

[Text] In Maputo, 27 Cuban workers, who finished their mission in Mozambique, have received the Internationalist Medal conferred by the Central Organization of Cuban Trade Unions [CTC]. Foreign Vice Minister Giraldo Mazola and Ambassador Eloy Valdes were present at the medal-awarding ceremony held at the grounds of the internationalists' mid-level education facility in the last few hours.

The key-note speech was delivered by the Cuban foreign vice minister. He praised the internationalists' work in Mozambique and congratulated them for the honor received after having successfully fulfilled their mission.

Cuba provides solidarity aid to the Mozambican people in education and other socioeconomic areas. The Internationalist Worker Medal conferred by the CTC recognizes this contribution.

Commission Congratulates People for Voter Turnout

FL2405143689 Havana Tele-Rebelde Network in Spanish 1100 GMT 24 May 89

[Text] A warm congratulatory message was sent to the people of Cuba by the National Electoral Commission which is presided over by Jose Ramon Machado Ventura, member of the Communist Party of Cuba [PCC] Politburo for the turnout at the elections for Municipal Assembly of People's Government [MAPP] delegates.

Upon analyzing the results of the recent constitution of the 169 MAPP, which were classified as positive, it was acknowledged that all the conditions exist to constitute the 14 Provincial Assemblies on 28 May.

Caricom

Team Reviews Caribbean Integration in Montserrat

FL2505023689 Bridgetown CANA in English 2142 GMT 24 May 89

[Text] Plymouth, Montserrat, May 24, CANA—A team reviewing the effectiveness and relevance of the Caribbean integration movement has just ended a visit to Montserrat. The team is to submit a statement to Caribbean Community (Caricom) leaders when they meet in Grenada in July, the head of the mission, Jamaica-born professor Gladstone Mills said. Professor Mills and his three-member team will visit four more islands as part of the project.

He told reporters here: "We are going to make a statement to the Caricom leaders in July, about where we are at present and we expect to give a fuller report near October or November this year."

Professor Mills said that his team had been concerned about the attitude being displayed by some people regarding the functions and workings of Caricom, but discovered "that there is a great feeling of optimism in most of the states about the regional integration movement especially over the last six months."

"But we still have certain institutions and projects which we need to look into deeply," he said, pointing to the regional airline Liat, the Caribbean Food Corporation, and the West Indies Shipping Corporation.

Professor Mills said that part of the new enthusiasm over the regional integration process "is the fact that people are beginning to recognise that we can't exist and survive as individual states."

Dominican Republic

Commentary on Judges' Strike Scheduled for 30 May

FL2405160289 Santo Domingo Radio Mil Network in Spanish 1101 GMT 24 May 89

[Station Commentary]

[Text] The announcement that judges and district attorneys will hold a strike on 30 May is a reflection of how far the crisis situation has gone in the Dominican Republic. It is difficult to imagine a judge, with his robe on, mobilizing like a laborer in demand of economic and social claims, even though he does have the same needs.

Traditionally, law has been considered a power of the state whose moral authority was above all questioning, and those in charge of implementing it were practically placed on a pedestal. Unfortunately, the economic situation has transformed that image, and today, there is even a tendency to generalize by denouncing corruption in the law.

However, one cannot also pretend that those in charge of the courts of law are angels who are members of a celestial court, because the judges are persons who are probably under more duress than the majority of the members of the Dominican society. It is a disgrace for the judicial system to have judges who subsist with salaries that are under 800 pesos a month, when the cost of the family basket is over 1,500 pesos. The modernization of the judicial system is an indispensable condition for the application of good justice, and this must include appropriate salaries for personnel who depend on this type of work. The government cannot allow the situation to get to the point where judges and district attorneys have to strike to find an adequate answer to their demands. The government would also not have the right to demand moral integrity from them when they become victims of temptations in order to satisfy their needs.

Party Leader Proposes 3 Candidates for Elections

FL2405155389 Santo Domingo Radio Mil Network in Spanish 1200 GMT 24 May 89

[Text] Dr Jose Francisco Pena Gomez, president of the Dominican Revolutionary Party [PRD] and aspirant to the Presidency, has proposed the idea that the three pre-candidates of the PRD individually participate in the next elections. According to Pena Gomez, after the elections it will be possible to determine who has control of the PRD, and he asserted that the security of the group will not take place under the current circumstances.

The presidential PRD pre-candidate, who is outside the country, emphasized that the proclamation of Jacobo Majluta as candidate worsens the problem because not a single vote has been casted to select the candidate for the party. The negotiating and [word indistinct] committee had recently met to set a new date to hold the PRD convention; however, followers of Majluta went ahead and proclaimed their candidate as winner.

Recently, Pena Gomez and Jocobo Majluta made an agreement to the effect that each of them would respect the results of the nomination, and that for further confirmation, it would be followed by a verification in Santiago. However, before this could happen, the Jacobo Majluta proclamation took place. PRD leader, (Mejia Ricard), said that after the proclamation made by Majluta, all the sessions that the negotiating committee was holding have come to a halt, without the appropriate voting and process of verification taking place.

(Mejia Ricard) noted the effort that was being made for the reunification of the PRD. However, he added that if the two parties do not cooperate, it will be very difficult to achieve their unity.

[Begin (Mejia Ricard) recording] One side believes that there will not be a convention because the candidacy has already been won. So there is nothing to do. [end recording] This is what (Mejia Ricard) said referring to the proclamation by Jacobo Majluta as winner.

According to Lic Majluta, he is the only candidate who represents the PRD, therefore, he will run in the next elections.

[Begin Majluta recording] I ask the hundreds of thousands of my followers to begin to look for the membership of those who support my candidacy. It is my candidacy that the country currently needs to put an end to so much incompetence, chaos, and lack of authority. [end recording]

Majluta said this as he proclaimed himself candidate of the PRD.

Clashes With Police During Salcedo Strike

FL2405133989 Santo Domingo Radio Mil Network in Spanish 1040 GMT 24 May 89

[Text] The Wide Front of the Peoples Struggle [Frente Amplio de Lucha Popular], FALPO, has condemned the repression it says the police carried out during the strike in Salcedo Province. FALPO says that during the incidents in that province, 2 people died in clashes with police, and 15 youths received gun wounds. The FALPO also affirms that during the Salcedo strike, over 200 people were arrested, some of whom were beaten by the police and the military.

Economist Alexis Alvarez, spokesperson for FALPO, urged the government of President Balaguer to fulfill the agreements, reached with the Salcedo representatives on (?Monday), which [word indistinct] gave rise to the protests.

Economist Alexis Alvarez believes that in light of the deterioration of the economic situation of the nation, the crisis of the basic services, and other problems, the organized sectors have no other alternative than to strike, and carry out other types of protest demonstrations.

Grenada

Bishop Murder Appeal Hearing Continues

FL2405190589 Bridgetown CANA in English 1625 GMT 24 May 89

[Text] St George's, Grenada May 24, CANA—Defence council, Howard Hamilton, has told Grenada's appeal court that the judge in the Maurice Bishop murder trial should not have given a conditional pardon to star witness Fabian Gabriel. Gabriel was originally charged along with soldiers and government figures with the murder on October 19, 1983 of Prime Minister Maurice Bishop and members of his cabinet.

On the condition he would give evidence for the prosecution against the 17 other persons charged with him, Gabriel's pardon was granted by Judge Dennis Bryon on application of the Director of Public Prosecution (DDP), Mrs Velma Hylton.

Gabriel's evidence proved critical in establishing developments at the time of the shooting of Bishop and others, but Hamilton argued on Tuesday it had been dangerous to accept that evidence. "It is wholly undesirable that the evidence of an accomplice should be accepted where there is any possibility that he is under any inducement whatsoever to give evidence, the result of which would be that the accomplice be not charged with involvement in the crime."

Hamilton said that before Gabriel appeared in court as a prosecution witness, he had given three different statements to the police. In his first statement given on November 2, 1983, the defence council said, Gabriel indicated he had not been present at the time of the shooting but when he got to the place of execution he "saw men on the ground" whom he identified as Bishop and others.

His second statement given six days later says he was present at the time of the shooting and he identified two of the accused, Andy Mitchell and Vincent Joseph as "the two machinegunners" who were given the order to shoot by another murder accused, Calistus Bernard, Hamilton told the court.

On April 21, 1986, Gabriel gave his third statement. This time he identified four of the accused—Calistus Bernard, Vincent Joseph, Cosmos Richardson and Andy Mitchell—as the persons doing the killings, Hamilton said.

Hamilton pointed out what he said were several other discrepancies between the three statements. Judge Byron had these documents before him, Hamilton said, and should have considered these discrepancies in assessing whether Gabriel was likely to give full and free evidence for the prosecution.

Having granted the conditional pardon, Bryon should have warned the jury to be cautious in accepting Gabriel's evidence but did just the opposite, the defence council said. In his summing up, he said, the judge had told the jury that in judging Gabriel's credibility they should not attach any significance to the fact that he had been granted a conditional pardon.

This was a serious mis-direction, Hamilton said, and he submitted that this together with other errors he said the trial judge had made resulted in a miscarriage of justice.

The defence council made the point also that in spite of complaints made on 12 different occasions the accused had great difficulty in obtaining transcripts of the evidence taken at the preliminary inquiry. He said they were entitled to the transcripts.

Most of those tried for the murders were sentenced to death, with the others getting long prison terms. Among those sentenced to death were former deputy prime minister, Bernard Coard, and his wife, Phyllis.

Haiti

Panamanian Ambassador Holds News Conference

FL2405155889 Port-au-Prince Radio Nationale in Creole 1300 GMT 24 May 89

[Text] In regard to Panama, the Panamanian ambassador to Haiti, Mr Rafael Vargas Santos, held a news conference yesterday morning at the Holiday Inn [Le Plaza] Hotel on the Champ de Mars to inform Haitian public opinion about the crisis shaking Panama since last 7 May's elections. Indeed, Panama is going through one of the most difficult crises in Panamanian history because of the U.S. Government's brutal aggression against Panama. Washington began a war against the Panamanian regime in June 1987 because Panama refused to bow to the U.S. Government and do its bidding. The Panamanian ambassador said that the actions against Panama increased even further in March 1988, when the U.S. Government decreed a number of economic sanctions against the government and the people of Panama.

Panama has denounced, on many occasions and mostly at different international meetings, diverse violations of the Torrijos-Carter treaty committed unilaterally by the Washington government. Different Panamanian opposition groups received $10 million so they could commit fraud in the elections of last 7 May in Panama, the Panamanian ambassador to Haiti said.

Referring to Washington's campaign of disinformation about the reality in Panama, the ambassador pointed out that the problem with Panama is not a Noriega problem. The Americans don't have a problem with Noriega himself, as everyone thinks; rather, it is over the Panama Canal. It is the Panama Canal that is the cause of the current crisis in Panama.

Ranking Democratic Unity Members Resign

FL2405121889 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 23 May 89

[Text] The Confederation for Democratic Unity, KID, informs the population and its members in Haiti that six important officers of the KID executive bureau have resigned. KID notes that it has not yet accepted their resignations because it does not know the reasons for them. In other words, the people who resigned have not said why they are doing so.

Therefore, KID states: In this difficult period of crisis that the KID is experiencing, an emergency three-member committee has been formed to manage KID and

to find an end to this matter. KID says it is seeking to meet with all the members who have resigned to cast some light on this matter (?while) waiting to present this situation to the press.

We must point out that there is a wind blowing among organizations these last few days. People cannot identify the nature of this wind. However, it is a wind that is destroying the popular organizations.

Former Dessalines Troops Committing 'Abuses'

FL2405144489 Port-au-Prince Radio Metropole in Creole 1600 GMT 23 May 89

[Report by Port-de-Paix correspondent Michel Edouard]

[Excerpt] [Passage omitted] The presence of the soldiers from the Dessalines Barracks in Port-de-Paix is greatly disquieting to the population because of the soldiers' behavior. Last weekend, these soldiers entered a restaurant, Madame Elina's, in the Port-de-Paix area (?near) the canal. Some 40 of them went in and ate. When asked to pay, the soldiers beat the people. This situation is frightening the population a great deal.

At the [name indistinct] nightclub in Port-de-Paix, a group of armed men—whom people once again say were these same Dessalines Barracks soldiers—caused a ruckus at the dance because they had to pay. They struck many people. Even (Saint-Homaire Saintil), the director of the radio and the television for the northwest, was severely beaten.

The population feels it is high time for a civilian to be shown proper respect in Port-de-Paix. Given the condition the town is in and all the problems it already has, they do not want the town's problems to increase. The population hopes that the leaders of these former Dessalines Barracks soldiers will do what they can to render (?the former Dessalines soldiers) peaceful so as to help Port-de-Paix regain its former peace.

This is Michel Edouard, Radio Metropole, Port-de-Paix.

[Announcer] We remind listeners that last week our correspondent in Jeremie informed us that former members of the Dessalines Barracks Battalion were committing abuses in Jeremie too.

'Anxiety' Continues in Marchand Dessalines

FL2405123887 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 23 May 89

[Excerpts] The population of the third communal section of Marchand Dessalines is living in anxiety. The people have had to flee into hiding since the last sweep the military from Saint-Marc carried out in the area. Things became tough in the area after a group of soldiers from Saint-Marc set six houses on fire in the third communal section of Marchand Dessalines to avenge the mother of Charidieu Joseph, who was killed during a row that broke out on 16 May. [passage omitted]

We have learned that the funeral of Joseph's mother was held over the weekend. Meanwhile, the peasant who died was buried without a justice of the peace ever going to the scene of the incident to write up a formal report about his death, as was done for Joseph's mother. We have also learned that Duperman Dorvilus, a person from the area, has been arrested.

We have this morning the testimony of several peasants who were present during the events and who managed to escape and flee the area.

[Begin recording] [Passage omitted] [Reporter] Was Charidieu with the military that time?

[Unidentified speaker] He was there. He was wearing a military uniform. [passage omitted]

[Reporter] Is he a member of the Armed Forces?

[Unidentified speaker] No. They gave him an olive green uniform, as usual. He has come dressed like that in the past. We have seen him pass in his car dressed like that. We have already denounced this in the past. [passage omitted]

[Reporter] Thus, it was the soldiers who burned the houses?

[Unidentified speaker] Yes, it was the soldiers themselves who burned down the houses. [passage omitted]

[Reporter] Has anyone from the Justice Department come to the area to conduct an investigation?

[Second unidentified speaker] No, no one.

[Reporter] Are things functioning in the area, such as the schools and so forth, following the events?

[Second unidentified speaker] No, there is no school. Nothing. Everything is totally shut down. Even the small grocery stores almost never open. You can't find a thing. The marketplace is not functioning at all, because of this incident, because people are living in anxiety. [passage omitted] [end recording]

Jamaica

Rent Arrears Cause Panamanian Embassy To Close

FL2405173089 Bridgetown CANA in English 1606 GMT 24 May 89

[Text] Kingston, Jamaica, May 24, CANA—Panamanian diplomats in Kingston have been locked out of their embassy in Kingston over a rent dispute with their landlord. Lawyer for the landlord, Barbara McNamee,

on Monday padlocked a corridor in the building leading to the Panamanian Embassy, and attorney Maurice Tenn said: "We do not intend to open the gate until the arrears are paid." McNamee is claiming J15,000 (one J dollar; 18 U.S. cents) in arrears going back to February.

Neither Panamanian nor Foreign Ministry officials could be contacted for comment. The dispute has been simmering for several weeks, and was sparked by a government hike in property taxes here.

The Panamanians leased the premises in the Jamaican capital, Kingston, in 1987 at J3,762.18 dollars (one J dollar; 18 U.S. cents) monthly. But in April 1988 when the property tax was sharply increased the landlord decided to pass on the increase to the tenants.

The Panamanians balked at the proposed hike, and instead McNamee decided to give the embassy notice when the lease expired last February. If the embassy wanted to remain, the rent would increase from J45 dollars to J60 dollars per square foot. Since then both sides have been at loggerheads over the issue.

Montserrat

Chief Minister Defends Banking Reputation

FL2505025089 Bridgetown CANA in English 2204 GMT 24 May 89

[Text] Plymouth, Montserrat, May 24, CANA—Montserrat Chief Minister John Osbourne has defended the reputation of the island as an offshore banking centre. In an interview with the British Broadcasting Corporation, monitored here, Osbourne said the British colony was still a reputable business centre despite claims of fraud.

Britain's Scotland Yard is investigating fraud charges and according to Osbourne should submit its report by month-end.

"I am not a banking expert, but I don't believe that Montserrat is an exception (to attempted fraud)," Osbourne told the BBC.

"...It is happening in London and many other places...Wherever there is money you will have bright boys and somebody is going to try something."

The Montserrat Government has suspended the issuing of offshore banking licences in the wake of the Scotland Yard investigation. To date seven Americans have appeared before courts here on charges related to the investigations.

In his interview, Osbourne defended the integrity of his administration in providing licences for banks to operate here, saying "there is no way any government or anybody can guarantee that something won't go wrong." "What has happened is that out of the number of banks—nearly 250—some banks we are told have been laundering money...but I am pretty certain that even some big banks in Europe and America do launder some money unknowingly."

Osbourne said that his government would make it very difficult for a scandal of the present nature to occur here.

"The truth and fact is that...we have uncovered some who we believe are not acting properly according to the requirements of the laws of Montserrat and we are taking steps to ensure that they get out," he remarked.

He said the administration will receive assistance from experts in banking to draw up new legislation and "one of the things we might do is consider not giving licences to certain kinds of people or individuals except where they are properly...recommended by reputable banks."

"I think it is going to be very difficult to get a bank licence unless the person can really qualify for one...We have learned from our mistakes," he added.

The scandal in the offshore banking industry here has become a major political debate with the opposition National Development Party calling for better screening of clients and more open investigations into the charges of wrong-doing.

The ruling Peoples Liberation Movement has planned a public meeting for next week at which the matter is likely to be discussed.

El Salvador

FMLN 'Instructions' on Civilian Casualties

PA2505015289 (Clandestine) Radio Venceremos in Spanish to El Salvador 0020 GMT 25 May 89

["Instructions" issued by the Farabundo Marti National Liberation Front [FMLN] General Command to military unit commanders and combatants—date and place not given]

[Text] Our army is essentially the people's army, because it was born of the people. Throughout these many years of war, hundreds of countrymen have spilled their blood for the land on which they toil to achieve justice, democracy, and better living conditions for the people. These are the people's most heartfelt desires. In the struggle against the enemy, we have committed errors in military procedures that have resulted in casualties among the people. To quickly and radically correct these regrettable procedural errors, the Farbundo Marti National Liberation Front General Command orders all commanders and combatants of our military units to study and implement the following instructions, which must be strictly fulfilled:

1. Under no circumstance must populated areas be mined. Mines must be placed where enemy troops travel. All precautions must be taken in highway ambushes so the mines will only affect enemy patrols and transport vehicles.

2. In the plans to attack enemy garrisons, the commanders must always evaluate the civilian population's situation. Every effort must be made to carry out clean attacks. If there is any possibility, even after all alternatives have been explored, that persons having nothing to do with the enemy would be affected if the attack is carried out, the operation must be suspended.

3. Before punishing the owners of private vehicles and buses who violate the provisions of the transportation stoppage, our units must be absolutely sure the owner violated the provision.

4. In carrying out sabotage operations, it must be considered who would be affected by the action. To the same extent our sabotage operations must be implacable with the regime and the oligarchy, those operations must not affect workers, small owners, peasants, or the lower classes.

5. Before carrying out executions, an exhaustive investigation must be conducted until it is confirmed that the target of the operation is an enemy of the people.

6. All our military operations, including the executions, must be publicly recognized so as to avoid confusion with the enemy's dirty war procedures.

Every FMLN combatant must bear in mind that we are committed to the people and that our struggle is of the people and for the people. Therefore, we must act consistent with this revolutionary principle. FMLN General Command, May 1989 [day not specified]

Decrees Transportation Stoppage

PA2505003389 (Clandestine) Radio Farabundo Marti in Spanish to El Salvador 2330 GMT 24 May 89

[Communique issued by the Farabundo Marti National Liberation Front's General Command on 24 May in El Salvador]

[Text] The General Command of the Farabundo Marti National Liberation Front states:

1. By rejecting our proposal aimed at transforming the elections into a path to achieve peace, the Nationalist Republican Alliance [ARENA] turned the 19 March elections into a process of war.

2. ARENA will establish a government supported only by the votes of a mere 18 percent of voting-age Salvadorans, which makes it an illegitimate government and a government of minorities for minorities.

3. Ever since election results were revealed, there has been a significant increase of repression against the people in the form of arrests, murders, searches, raids on labor and association offices, attacks against universities, and so on.

4. ARENA is already announcing, and in many cases already implementing, antipopular measures such as the formation of death squads under the name of patriotic civilian defense, the annulment of Decree 207, devaluation of the currency, privatizations, establishment of a state of siege, and other measures that will hurt the people.

5. ARENA's policy toward the evacuation of people maimed in war shows that the ARENA government will further dehumanize the war.

6. As a first reply of our front to the ARENA government, the General Command decrees a national transportation stoppage beginning at dawn on 31 May. The measure must be complied with on all highways of the country and in the cities. We urge all our units to enforce this decree and our people to actively participate in the stoppage to repudiate the death squad's government at the very moment of its inauguration.

[Signed] FMLN General Command

Commanders Francisco Jovel, Eduardo Sancho, Jorge Shafik Handal, Leonel Gonzalez, and Joaquin Villalobos.

El Salvador, 24 May 1989

Cristiani Refuses To Comment on Appointments
PA2405215789 San Salvador Canal Seis Television in Spanish 0200 GMT 24 May 89

[Report on news conference by President-elect Alfredo Cristiani with unidentified reporters on 23 May—place not given]

[Text] President-elect Alfredo Cristiani tonight did not confirm or deny reports about the appointment of new Armed Forces members:

[Begin recording] [Cristiani] I do not wish to deny or confirm the appointment of new Armed Forces members; we did not release the information circulating today. For various reasons, we wish to be fair to future cabinet members by not revealing their names officially and publicly until 1 June.

[Reporter] Eight days before the inauguration [words indistinct] have been meeting with your government cabinet?

[Cristiani] We have participated in many meetings; the transition is already under way. We have visited some government institutions to learn about some programs that are already in progress and must be completed, and we have visited other places just to gather information, because we want to know what we will be up against.

[Reporter] Can you confirm or deny reports that General Larios is the new defense minister?

[Cristiani] I cannot confirm or deny that; we will officially reveal the entire cabinet on 1 June. We have not yet released any information in this regard; we do not know who has. At this moment, I will neither confirm nor deny the appointment of anyone being mentioned.

[Reporter] [Question indistinct]

[Cristiani] First, neither the political party nor the Armed Forces are empowered to do that. I clearly said that ministers of state would be appointed by the government of the Republic, and that is how it will be. [end recording]

Cristiani added that he will try to achieve peace through dialogue. He voiced his support for the demobilization of Farabundo Marti National Liberation Front combatants and Nicaraguan contras.

Gen Larios Denies Rift in Armed Forces
PA2405231389 San Salvador Radio Cadena YSKL in Spanish 1730 GMT 24 May 89

[Report by Rosi Castillo]

[Text] Salvadoran Deputy Public Security Minister General Rafael Humberto Larios appeared at the Legislative Assembly today because the Salvadoran war wounded soldiers informed him they had not received the 200 colones offered by the government.

Gen Larios was interviewed on the recent Armed Forces appointments. Larios said those appointments are mere speculations that cannot be taken as fact.

Larios also talked about a rift between the Salvadoran Army and the Air Force. Larios said: I appreciate [Air Force Commander] General Bustillos very much and believe such a rift cannot exist and that a coup d'etat cannot take place.

Let us listen to part of the information we gathered at the Legislative Assembly today:

[Begin recording] [Larios] [Words indistinct] and the Army's position continues unaltered.

[Reporter] However, in the case of the defense minister, he must be a political leader: therefore, decisions would have to be more political than anything else. Would you go along the line adopted by the Nationalist Republican Alliance?

[Larios] I want to state this very clearly: The Armed Forces are an instrument, a resource, and a tool at the service of the government, particularly the president. In that sense, the institutional [word indistinct] the state itself does not [words indistinct] political [word indistinct].

[Reporter] General, there are many rumors about a rift within the Armed Forces as a result of the new appointments, which you have described as speculations. What is the truth about that rift between the Army and the Salvadoran Air Force?

[Larios] There is definitely no rift within the Armed Forces. I believe people have tried to speculate on this matter. I want to use this opportunity to speak clearly about this. The Armed Forces are a professional, responsible institution; they are fulfilling their constitutional duties and know very well what those duties are. [Words indistinct] a rift.

[Reporter] There are talks about a coup d'etat as a result of the Army appointments. We would like you to talk to us about this problem within the Armed Forces.

[Larios] I am not aware that a coup d'etat is being considered. In any case, I believe it is absurd to think of a coup d'etat now that Salvadoran society demands a serious and formal response from us in view of the problems we are facing.

[Reporter] What are the basis of those speculations? It was also said that Gen Bustillo became very upset last weekend because he was not appointed as the new defense minister.

[Larios] I am not aware that Gen Bustillo, who I appreciate and respect, adopted such an attitude.

[Reporter] What can you tell us about the recent actions carried out by the Farabundo Marti National Liberation Front-Revolutionary Democratic Front [FMLN-FDR]?

[Larios] I believe the FMLN is doing its job; it is acting in accordance with its strategy and work plans; it has its own plan of actions. Unfortunately for the Salvadoran people and society, the FMLN actions are a true tragedy. [end recording]

These were part of the statements made by Gen Rafael Humberto Larios. It is considered a fact that Gen Larios will be the next Salvadoran defense minister, although that rumor was denied by Gen Larios himself upon his arrival at the Legislative Assembly, where the rumors that he will be the next Salvadoran defense minister persist. In addition, the Armed Forces appointments released by a local morning paper yesterday are also regarded as fact at the Legislative Assembly. It was said those appointments are not rumors but facts.

As for the rift within the Armed Forces, it was also said at the Legislative Assembly that the Air Force does not support the selection of Gen Larios as the new defense minister.

Coprefa Announces Military Appointments

PA2405125489 San Salvador Radio Cadena YSKL in Spanish 1211 GMT 24 May 89

[Text] Coprefa [Armed Forces Press Committee] has released the names of the members of the Army High Command, listing [President-elect] Alfredo Cristiani as general commander and Rafael Larios Lopez as defense minister.

COPREFA announced that Colonel Juan Orlando Ponce will be the new chief of the joint chiefs of staff and Colonel Inocente Orlando Montano will be deputy public security minister. COPREFA also reported that the names of the new general directors of the security corps and that of the new head of the Salvadoran Air Force will not be known until 1 June.

Rebel Casualty Figures for 24 May Reported

PA2405183089 Paris AFP in Spanish 1659 GMT 24 May 89

[Text] San Salvador, 24 May (AFP)—The Salvadoran Armed Forces [FAS] Joint Staff reported today that violent clashes between the Army and rebels continued today in the northern and eastern parts of the country. According to preliminary figures, at least 21 rebels have been killed and 5 wounded.

An official bulletin reported that early this morning, 10 Farabundo Marti National Liberation Front guerrillas were killed near Ocicala, 184 km from San Salvador in the eastern San Miguel Department.

In addition, eight more rebels lost their lives in a confrontation with Military Detachment No 4 troops, which were backed by FAS airplanes and helicopters, near San Isidro, Morazan.

The war bulletin also reported that five guerrillas were killed and five others were wounded in two clashes near Las Vueltas, Chalatenango, on the afternoon of 23 May.

The Joint Staff communique did not mention any Army casualties, although the guerrillas today announced the success of their operations against government units. The rebels reported inflicting more than 100 casualties, including dead and wounded, on the Armed Forces.

Honduras

Azcona Interview on UN Deployment, Nicaragua

FL2405143589 Tegucigalpa Cadena Audio Video in Spanish 1224 GMT 24 May 89

[Interview with President Jose Azcona by Gustavo R. Rubi; date and place not given—recorded]

[Text] [Rubi] It is being said that the Honduran Government's stubbornness is endangering peace in Central America.

[Azcona] No, we are not being stubborn. I repeat, we have been the best allies Nicaragua has had in its search for peace in that country. How can we be endangering peace when we have been the ones who have contributed to peace in that country? The problem is that you cannot be asking with one hand and holding a gun to someone's head with the other. They have refused to drop the charges they brought against us before the International Court of Justice [ICJ] in The Hague. We are not going to beg them to drop those charges, but we refuse to serve the interests of the Sandinist government.

[Rubi] It is also being said that Honduras is hindering the deployment of the international peace force.

[Azcona] Not necessarily. There are ways out; however, there is also a commitment that the Nicaraguan president made in El Salvador. Nicaragua agreed to refrain from using other instances to air the controversies and problems and that these would be broached directly by the parties involved. We thought that this was understood; however, Nicaragua refuses to drop the charges brought before the ICJ. This could go on for 5 or 7 years. There are other factors involved. We have eyewitness reports from fellow countrymen who were prisoners in Sandinist jails. They do not have a single Nicaraguan who can say that he has been subjected to inhuman treatment in a Honduran jail. We have many Hondurans we can present; there may be many more still in Nicaragua. This is one of the factors that turns this case into an eminently political matter. The Sandinist government is persistent and stubborn and refuses to drop those charges. We will just follow their example; we will give

them an answer; we are going to countersue; and this will take a long time. In the meantime, we will continue to be the biggest contributors to peace in Central America.

[Rubi] Will this be discussed during the presidential summit?

[Azcona] At the summit we will broach this issue; it will be one of the main issues to be discussed. As I said, in Esquipulas II, in San Jose, and later in El Salvador we contributed to making the counterrevolution a passive element. They are no longer fighting inside Nicaragua, and I think the least the Nicaraguans could do is understand and appreciate this contribution on the part of the Honduran Government.

[Rubi] Does this mean that so long as Nicaragua refuses to drop the charges Honduras will oppose the peace force?

[Azcona] We have a reservation. This could be removed at any moment, but Nicaragua must also give some sign that it really wants to find a solution to the problem. It cannot be making demands and asking Honduras to help solve the contra issue, for example, and also making us waste time and money in court in The Hague. This is going to lead us nowhere.

[Rubi] But, Mr President, your government suggested the presence of military observers at the border.

[Azcona] Yes, it was my government's idea. We continue to believe in it. Proof of this is that we asked for the military observers. On 7 and 8 August 1988, in Esquipulas, we signed a document with President Daniel Ortega suspending the actions at the ICJ. Later, in Costa del Sol, all the presidents signed a document in which there is a paragraph that speaks clearly and directly of solving problems in a direct manner. In a direct manner means that we must sit down and talk and not reactivate the hearings in The Hague.

Officials Dispute Obstacles to UN Effort

FL2405154089 Tegucigalpa Cadena Audio Video in Spanish 1200 GMT 24 May 89

[Report by Elan Reyes Pineda; all passages within quotation marks recorded]

[Text] After the UN position was made public—the United Nations declared itself incapable of getting the UN Security Council to organize a team of observers for Central America—there was reaction here in Tegucigalpa. Foreign Minister Carlos Lopez Contreras almost immediately charged the Sandinist government with being hardheaded and stubborn for not withdrawing the suit against Honduras at the International Court of Justice [ICJ] in the Hague. In view of this position, Honduras will not drop the reservation under which it signed, along with the other foreign ministers in March, a petition to UN Secretary General Javier Perez de Cuellar to set up the UNOCA [United Nations Observers for Central America].

The differences between these two countries began anew in view of this disagreement; they were revived just a few hours ago at the United Nations.

[Lopez Contreras] "Honduras' reservations are not the obstacle. Honduras signed a document for the secretary general of the United Nations on 30 March together with the other foreign ministers asking for the deployment of UN military observers. However, we noted our reservation, which is that prior to the deployment the agreements reached by the presidents in Costa del So! should be effectively implemented, basically the accords concerning the direct and negotiated solution of the differences arising from the regional crisis. This language referred to a solution to the suit Nicaragua filed at the ICJ.

"There was a pact, a gentlemen's agreement, on that point. Nicaragua refused (?to keep it), and we raised our reservation to force it to fulfill its agreement."

Nicaragua says that the point about withdrawing the suit against Honduras at the ICJ was not stated in the Costa del Sol document. However, Francisco Lacayo Parajon, Nicaragua's ambassador in Tegucigalpa, asserts that the suit does not constitute an act of aggression against Honduras.

[Lacayo Parajon] "It would be a [word indistinct] if they saw this as a Nicaraguan aggression. This is not an aggression. It is a juridical defense instrument to which all nations have a right. It is not linked to what was signed in El Salvador."

UN Secretary General Javier Perez de Cuellar has tried to reconcile the two sides, however he has not been successful, according to Foreign Minister Lopez Contreras.

[Lopez Contreras] "The UN secretary general has tried to find an accommodation between the two sides to save the plan to deploy military observers. However, Sandinist hardheadedness and stubbornness have blocked the deployment of this force.

[Unidentified reporter] "[Words indistinct] spokesman about a possible Nicaraguan gain in Costa del Sol because the demand for the suit's withdrawal was not expressly stated. What is your view?

[Lopez Contreras] "It was a decision by both presidents not to make a direct allusion. It was not necessary. When the parties act in good faith, (?whatever it is), it is not necessary to sign your name to it.

[Reporter] "There is still talk that one thing is going to be exchanged for another. The withdrawal....

[Lopez Contreras, interrupting] "Not necessarily change. We have posed a reservation. Although we are interested in the deployment, we are even more interested in settling the problem of the suit. Consequently, we believe that if Nicaragua is also interested, it should make concessions. It should make concessions because it cannot in any way think it can impose unilateral obligations on Honduras. It does not have the moral authority to do so. It does not have the political credentials, nor does it have the military force required to impose anything unilaterally on Honduras. Therefore, what is needed is a political negotiation; the idea is to find solutions to which contributions will be balanced. Honduras is not going to bow to the Nicaraguan Government's pressures."

If the Sandinists wish to pursue this suit at The Hague, Honduras will oblige them, the foreign minister said.

[Lopez Contreras] "If they want to air the whole Central American issue at the ICJ, we will give them the satisfaction."

Nicaragua reiterates that this point was not touched on in El Salvador and that it will take this suit to its conclusion.

[Lacayo Parajon] "The suit at the ICJ was not mentioned at all in the presidential agreements at the latest summit in El Salvador, and nor were other topics."

At this time, the peace efforts have failed. The UN observers will not come. There is no plan to determine the fate of the contras, and nothing specific is known about the Central American presidential summit. Lopez Contreras and Perez de Cuellar exchanged diplomatic notes a few hours ago, but the conclusion was that the most controversial countries in Central America—Nicaragua and Honduras—cannot agree with each other.

Azcona Names Carlos Falck Finance Minister

FL2405151589 Tegucigalpa Cadena Audio Video in Spanish 1229 GMT 24 May 89

[Interview with President Jose Azcona by Gustavo R. Rubi; date and place not given—recorded]

[Excerpt] [Rubi] Mr President, what can you tell us about the new appointments?

[Azcona] About the new appointments? I do not have all the names yet. The finance and public credit minister will be Carlos Falck. He has experience with the IMF, the World Bank, and AID [Agency for International Development]. He has been in contact with those organizations, and at this moment it is convenient for us to have such a person heading the Finance and Public Credit Ministry. We have very good people working at the ministry: the deputy ministers and the general directors. I will be meeting with all of them and the new minister, so that things at the ministry will continue to run as smoothly as they have up to now. The ministry did very good work under the leadership of Efrain Bu Giron. We have statistics proving that our revenue increased year after year. [passage omitted]

Delays in IMF Deal Stop Disbursement of Funds

FL2405162789 Tegucigalpa Voz de Honduras Network in Spanish 1145 GMT 24 May 89

[Excerpt] International financial organizations have begun to paralyze government projects. The irrigation project under way in southern Honduras has been paralyzed because the letter of intent with the IMF has not yet been signed. The Japanese have refused to disburse more than 300 million lempiras for the execution of the work. [passage omitted]

Nicaragua

Ortega Urges Contra Demobilization

PA2405133489 Managua Radio Sandino in Spanish 1230 GMT 24 May 89

[Text] Yesterday, after receiving the credentials of Colonel Jose Mario Maldonado, the new Honduran ambassador, Nicaraguan President Daniel Ortega discussed the demobilization of the contras currently in Honduras:

[Begin recording] I have sent a message to Honduran President Jose Azcona calling for the two countries' enforcement of the signed agreement ordering an eviction of the contras from Honduran territory in the short term. Fulfillment of this commitment is important for both Honduras and Nicaragua. Although the agreement was signed by the five Central American presidents, the Honduran and Nicaraguan Governments are most interested in settling this problem.

In addition, we should discuss other problems and find solutions to them, also on a short-term basis. We are willing to tackle the contra problem and expect President Azcona to comply with what he told me in his response to a recent letter of mine. In my letter I mentioned that the deadline we had agreed upon to demobilize the contras was quickly approaching. Azcona said he is willing to comply with his part of the agreement. [end recording]

Regarding the Honduran ambassador's remarks that the contra demobilization is impeded by regional problems rather than problems existing specifically between the two countries, Ortega said:

[Begin recording] The agreement was signed by the five Central American presidents. Honduras and Nicaragua have demonstrated their willingness to comply with the agreement. However, Azcona's letter is the only response I have yet received to the letter I addressed to the five presidents, all of whom signed the document calling for a contra demobilization. All five presidents must comply with this document, which is based on a proposal drafted by the five Central American deputy foreign ministers. I hereby request that we comply with this agreement as

soon as possible, without waiting for the other presidents to do so, because we do not know when they will comply with the agreement. [end recording]

Tomas Borge Interviewed in Sofia

AU2405085289 Sofia RABOTNICHESKO DELO in Bulgarian 22 May 89 p 2

[Interview with Interior Minister Tomas Borge by Vasil Kh. Popov in Sofia on 21 May: "Shield of Revolution"]

[Text] Yesterday Tomas Borge, Nicaraguan interior minister, arrived in our country for an official working visit. Only a few minutes after he descended from the airplane, Borge gave an interview to Vasil Kh. Popov, representative of our editorial board:

[Popov] What is the most characteristic task of your Ministry of Interior today in connection with the defense of the revolution in Nicaragua?

[Borge] Before answering this question, I would like to express my satisfaction at visiting this fraternal country. It is no secret that we in Nicaragua have special feelings toward Bulgaria. I am on a working visit, and I am looking forward to meeting old friends. The situation in our country is difficult. The revolution must cope with counterrevolution in Nicaragua. As minister of the interior, I am involved in the solution of specific problems related to the maintainance of public order, which as a result of the acute economic crisis is characterized by an increasing crime rate. The struggle in Nicaragua is both political and ideological, but it also has a military aspect, despite the fact that the threat of organized, armed, counterrevolution from the United States has been eliminated.

[Popov] How is the population cooperating with the public order and security organs?

[Borge] People in Nicaragua call our ministry the "Star of Joy." It has close relations with the population. The experience we have acquired and our successes in resisting counterrevolution, subversive activities, and terrorism would be impossible without the people's support.

[Popov] How do you see Nicaragua's future role in the area, and would you comment on the most recent events in Panama?

[Borge] Nicaragua fulfilled its agreements with El Salvador accurately and on schedule. If there is a side that has implemented these agreements, it is certainly our country. Several conditions were imposed on us, including the requirement to amend our election system, as well to speed up our elections, and we fulfilled all these conditions. We are now preparing our future elections, but our enemies are saying that the elections would be fraudulent and requirements ignored, as allegedly happened in Panama.

[Popov] What do you expect from your current visit to Bulgaria, and how do you evaluate the cooperation between our two countries' public order and security organs?

[Borge] Relations between our two ministries have always been excellent. Our Bulgarian colleagues are assisting us, and we have learned many things from them. We are now expecting to strengthen our political relations even more.

[Popov] Would you permit me to ask one more question: What else personally connects you and your family with Bulgaria?

[Borge] Even before visiting your country I was moved by the historical links and by numerous characteristic features which our two countries have in common. Bulgaria and Nicaragua are alike—in terms of size, customs, and geographical features—and they produce similar foodstuffs. However, I think the most significant common feature of our two peoples is their strength of character. In addition to all this, I have a personal reason to be grateful to the Bulgarian people. One of my daughters is currently in your country for medical treatment. She has been quite sick, but she is receiving great attention.

Venezuelan Electoral Council Officials Visit

PA2405160089 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 23 May 89

[Text] Nicaraguan Vice President Sergio Ramirez met this morning with a special Venezuelan Supreme Electoral Council delegation, which is making its third visit to our country. The Venezuelan delegation is here to learn more about the development of the Nicaraguan election process and to assess the constitutional reforms promoted by Nicaraguan President Daniel Ortega.

The Venezuelan Supreme Electoral Council delegation is headed by Armando Figueredo, who is representing Venezuelan President Carlos Andres Perez. The Venezuelan politicians also met with Nicaraguan Cardinal Miguel Obando y Bravo and members of various Nicaraguan opposition political parties.

The delegation visiting Nicaragua believes that the upcoming Nicaraguan elections are acceptable in the eyes of the international community. The Venezuelan electoral delegation—whose members also met with Mariano Fiallos, president of the Nicaraguan Supreme Electoral Council—is in charge of coordinating the activities of the Venezuelan delegation scheduled to arrive for the Nicaraguan elections. Figueredo has said that the general framework of the Nicaraguan election process is acceptable.

[Begin Figueredo recording] Conditions exist in Nicaragua for an election process that is acceptable in the eyes of the international community, and you can count on us to give you all possible assistance. [end recording]

Figueredo also commented on a report recently published by THE WASHINGTON POST on the Nicaraguan election process:

[Begin recording] We believe that that report was sufficiently objective. As you know, in the United States, as in any other country in the world, some people see things one way and others see things differently. However, we believe that goodwill must prevail in every country. All countries must try to help Nicaragua's efforts toward an economic recovery, which must be made within a democratic framework. [end recording]

Panama

Further Reportage on OAS Delegation, Protest

Duque on Negotiations

PA2505001389 Hamburg DPA in Spanish 2211 GMT 24 May 89

[Text] Panama City, 24 May (DPA)—The Panamanian progovernment National Liberation Coalition (COLINA) is willing to hold a dialogue with the opposition parties, considering that a dialogue is an option that could be promoted by the OAS commission visiting Panama, Ramon Siero, COLINA's first vice presidential candidate and brother-in-law of General Manuel Antonio Noriega, said today.

After the meeting between the COLINA ticket and the OAS delegates, Sieiro said that "if the OAS delegation is visiting Panama to take us to the negotiation table, we (COLINA) are willing to sit at that table."

Meanwhile, COLINA's presidential candidate Carlos Duque Jaen expressed a positive response to the meeting he held with the OAS mission that comprises Foreign Ministers Diego Cordovez, Mario Palencia, and Sahadeo Basdeo of Ecuador, Guatemala, and Trinidad-Tobago, respectively.

According to Duque, the OAS delegates said it is important "to maintain Latin American solidarity and unity and cordiality among peoples."

Duque added that "COLINA is willing to seek a solution among Panamanians." Duque also condemned the open U.S. Government and U.S. Embassy interference in Panama and "the large number of U.S. personnel who have been interfering with and clouding the cleanliness of the Panamanian elections."

Carlos Duque said that if the various Panamanian political groups have not found formulas of agreement by 1 September, the date on which the current Panamanian presidential period ends, COLINA will present the alternatives and proposals it is already working on; however, he added, the final decision rests with the various state organizations.

Duque also admitted the necessity of discussing Gen Noriega, but he said Noriega's withdrawal from the command of the Panama Defense Forces "must take place within the framework of the Constitution and Law 20, which regulates FDP operations.

Nicosia, Duque, Commission Meet

PA2505022989 Panama City Televisora Nacional in Spanish 2320 GMT 24 May 1989

[Text] The OAS special commission held its 2d day of work in the Marriott Hotel's Azuero Room in Panama City. The OAS commission is composed of three Latin American foreign ministers and is headed by OAS Secretary General Joao Baena Soares. The commission had invited representatives of several Panamanian political groups and the Panamanian Episcopal Conference to meet with them.

The meetings began today with the Authentic Panamenist Party [PPA] candidates at 0900. After this meeting, PPA President Hildebrando Nicosia stated the following:

[Begin Nicosia recording] We told them commission Panamanians can resolve their problems without any foreign intervention and that 24 hours ago we presented a national concertation plan—without preconditions—to all the political parties in the country. We also gave them details and presented evidence of the huge fraud perpetrated by the two main political coalitions during the past elections, which caused the elections to be annulled. The information supplied will enable the commission to know the true Panamanian situation. [end recording]

After this meeting, the OAS commission met with the Civic Democratic Opposition Alliance [ADOC] candidates and then with representatives from the Panamanian Episcopal Conference, headed by Monsignior Marcos Gregorio McGrath. Both groups held long talks with the OAS commission.

Finally, the OAS commission met with the National Liberation Coalition [COLINA] candidates, headed by presidential candidate Carlos Duque Jaen, who called for understanding between Panamanians with Panamanian solutions. After the meeting, Carlos Duque Jaen was asked by internatinoal and domestic reporters to evaluate the meeting's results:

[Begin Duque recording] We are willing to search for an understanding among Panamanians that will enable us to solve our problems and attain our reconciliation. We continue to hold the same position we had upheld during the past 3 months of political campaigning; we always called for peace and reconciliation. The OAS commission members talked about the importance of maintaining the solidarity and integration of the countries on the American continent. We reaffirmed our nationalist position and stated that COLINA is composed of parties with a common denominator: nationalism. We also expressed our points of view about the aggressions

against Panamanians—all of you Panamanians—during the past 3 years and the escalated and arbitarary manner in which the U.S. President has intervened in the past Panamanian election. Our meeting with the OAS commission members was lengthy and cordial. The foreign ministers had a very positive attitude and a desire to find a solution to the Panamanian political problem. We mantained our position that the political problem in Panama is primarily a result of the U.S. Embassy's and the U.S. Government's open intervention in Panamanian affairs and to the large number of U.S. officials that have been in Panama to meddle in and hinder the honesty of the Panamanian elections. [end recording]

The area where the OAS commission is working is being protected by the Panama Defense Forces, because the Panamanian Government and people are responsible for the physical security of these important OAS representatives.

Noriega on Meeting

PA2505033989 Madrid EFE in Spanish 0250 GMT 25 May 89

[Text] Panama City, 24 May (EFE)—General Manuel Antonio Noriega, chief of the Panama Defense Forces [FDP], and other high-ranking FDP General Staff members today advised the OAS mission visiting Panama of the U.S. Government's "interference and aggression."

Noriega and the FDP officers met with the OAS mission for 2 hours today at the Joint Canal Defense and Security Committee installations. The OAS mission arrived in Panama on 23 May to promote "formulas of agreement" after the annulment of the 7 May elections.

Noriega made brief statements after the meeting because of reporters' insistence. These statements constituted Noriega's first public appearance since the elections.

Noriega described the meeting as "positive" and said that in his opinion, "it gave the FDP the opportunity to express views and facts supported with evidence and documents about the U.S. economic aggression.

Noriega added that he also discussed "the violations of our territory, the intimidation to which we are being subjected, and the excessive U.S. military presence in Panamanian territory."

Noriega added: "We, as civilized peoples, presented our truth to the OAS mission, and our truth is the truth of all the Latin American peoples."

Gen Noriega stressed that "whatever happens to Panama could happen to any other Latin American country, because a precedent is being set here."

The FDP showed a 15-minute film to the OAS mission to inform them of the U.S. aggression.

The OAS delegates did not comment on the evidence presented to them by the FDP, because—according to what they said upon their arrival in Panama—they will not make any statements during their consultations with the various groups in the country.

Noriega refused to tell the reporters what his next move would be, humorously commenting: "That is the $1-million question."

Renato Pereira, one of Gen Noriega's advisers, said the OAS resolution, in which the OAS blamed Noriega for "the serious incidents and abuses" during the crisis and the election process, was objected to during the meeting held today in Panama.

Pereira complained that the resolution "blamed Noriega" for the incidents that have taken place in the country.

Other sources told EFE that in the meeting, "both parties were cordial and frank" and that the mission "clarified" that its job was not to interfere or meddle in Panama's domestic affairs.

After Noriega's statements, FDP spokesman Major Edgardo Lopez Grimaldo revealed that the attitude of the opposition, which has stated that Noriega's withdrawal from the FDP would contribute to a solution to the crisis, was discussed at the meeting with the OAS mission.

Lopez Grimaldo commented that it was said that "that is an FDP that is regulated by a specific law."

Lopez Grimaldo added that the meeting was held within an atmosphere of "cordiality and respect," that "there was no unnecessary agitation," and that "through the voice of its commander, the FDP maintained a firm and forceful position that Panama is an country under attack."

Commission Meets Opposition

PA2405185689 Madrid EFE in Spanish 1815 GMT 24 May 89

[Text] Panama City, 24 May (EFE)—The OAS delegation to Panama began its 2d day with a meeting with Guillermo Endara, opposition candidate in the recent elections. Endara arrived at the hotel where the delegation is staying, accompanied by several hundred supporters, who shouted "justice," and "Endara, president."

There were some incidents when Endara arrived, as security agents closed the hotel doors to prevent the opposition supporters from entering. Shortly afterward, riot police units were deployed to the sidewalk in front of the hotel, which is close to a convention center where a meeting of almost 1,000 leaders of progovernment mass groups are holding a meeting.

Ricardo Arias Calderon, opposition candidate for first vice president, who accompanied Endara, said that the opposition demands three basic things: recognition of its victory at the 7 May elections, the withdrawal of General Manuel Antonio Noriega, and the establishment of full democratic and constitutional guarantees.

Guillermo Ford, opposition candidate for second vice president, told the press, for his part, that the opposition would present to the OAS "the Panamanian situation in raw terms." Shortly before Endara's arrival, the OAS delegation, made up of OAS Secretary General Joao Baena Soares and the foreign ministers of Guatemala, Ecuador, and Trinidad and Tobago, met for 45 minutes with Hildebrando Nicosia, leader of the minority Authentic Panamenist Party [PPA], who was also a presidential candidate.

A meeting between the Panamanian Episcopal Conference and the OAS delegates was scheduled to be held at noon (1700 GMT). A meeting between the OAS delegation and progovernment candidate Carlos Duque was also scheduled for today, but has not yet been held.

At the end of his meeting with the OAS delegation, Nicosia told the press that the PPA agrees with the OAS "that all national groups must sit at the negotiating table, without any prior conditions."

Nicosia noted that the OAS delegation "does not bring specific proposals," but that its members "have the best intentions of finding a formula for an agreement without interfering in Panama's affairs." The former candidate added: "We Panamanians, without any foreign interference, can solve our own problems."

The delegation's members have not yet disclosed when they will meet with Gen Noriega, commander in chief of the Panama Defense Forces. Yesterday, on the 1st day of their visit, Baena Soares and the foreign ministers met with Manuel Solis Palma, minister in charge of the Presidency, several cabinet members, and Apostolic Nuncio Sebastian Laboa, a Spanish priest. The OAS delegation members refused to make any statements after the meetings.

Further on ADOC Meeting

PA2405194089 Hamburg DPA in Spanish 1859 GMT 24 May 89

[Text] Panama City, 24 May (DPA)—Guillermo Endara Galimany, presidential candidate of the ADOC, today asked the OAS delegation visiting Panama, among other things, "to arrange for an honorable departure for General Manuel Antonio Noriega before 1 September."

At the end of the meeting with the OAS delegation—made up of Foreign Ministers Diego Cordovez of Ecuador, Mario Palencia of Guatemala, and Sahadeo Basdeo of Trinidad and Tobago—Endara added that ADOC also called for "the restoration of civil liberties."

According to Endara, they discussed the possibility of an agreement between the military and the opposition so that the Panama Defense Forces will become a professional institution that is not linked to any political party and is subordinate to civilian authorities elected by the people.

For his part, Ricardo Arias Calderon, the ADOC first vice presidential candidate, said he asked the OAS delegation "to use its good offices to secure the release of some ADOC supporters arrested today" while Arias was meeting with the delegation. These supporters include Antonio Galvez, one of Arias' assistants.

The ADOC candidates arrived at the site of the meeting—a major Panama City hotel—accompanied by a large number of supporters.

Endara on Junta Proposal

PA2405190689 Paris AFP in Spanish 1817 GMT 24 May 89

[Excerpts] Panama City, 24 May (AFP)—ADOC leaders today defied a government ban and marched from Guadalupe Church, on 50th Street, to the Marriott Hotel, where they expect to meet with the OAS delegation. [passage omitted]

[ADOC presidential candidate Guillermo] Endara told reporters: "We will call for respect for the results of the 7 May elections." He added that the opposition has received no proposal from the government to create a possible "civilian-military junta," as it has been rumored. However, he reiterated that the opposition believes that the solution to Panama's problems is a "transfer" of power.

Meanwhile, Ricardo Arias Calderon, ADOC's first vice presidential candidate, said that they will ask the OAS delegation to recognize ADOC's election victory. The march called by the opposition leaders was carried out normally, despite the fact that the government had prohibited marches and motorcades.

A group of approximately 30 riot policemen took positions near the Marriott Hotel and reminded protesters of the prohibition; however, this did not provoke any incidents. The OAS delegation will meet with government candidate Carlos Duque and Panama's archbishop this afternoon.

Riot Police Attack Protestors

PA2405191689 San Jose Radio Impacto in Spanish 1842 GMT 24 May 89

[Text] The Panamanian people have once again been attacked by the oppressive forces of dictator Manuel Antonio Noriega [commander in chief of the Panama Defense Forces]. According to reports from Panama this Wednesday, Panamanian citizens accompanying the

members of the winning presidential ticket were attacked by the dictator Noriega's Doberman forces [riot police squad] and paramilitary groups.

A great number of people had gathered around the Marriott Hotel, where the OAS delegation is lodged. The Doberman forces, other riot police, and the paramilitary immediately surrounded the area and proceeded to beat and fire shots at the people there. Witnesses claim that the paramilitary groups fired at people who were lying on the ground and also beat others.

This shows that the situation has gotten out of control for Manuel Antonio Noriega. He no longer cares whether OAS representatives witness the brutal aggression to which he is subjecting the Panamanian people. The international community should strongly bear in mind this new brutal aggression against the Panamanian people. It will thus realize that you cannot negotiate with a barbarian.

ADOC Urges Protest Actions

PA2405142289 Paris AFP in Spanish 0519 GMT 24 May 89

[Text] Panama City, 23 May (AFP)—The ADOC today urged the Panamanian people to stage various protest actions against General Manuel Antonio Noriega's [commander in chief of the Panama Defense Forces] regime, in light of the OAS delegation's visit to Panama.

The delegation, which arrived in Panama today to try to find formulas for an agreement among Panamanians and a solution to the political crisis, is composed of Ecuadoran Foreign Minister Diego Cordovez, Guatemalan Foreign Minister Mario Palencia, and Sahadeo Basdeo, foreign minister of Trinidad and Tobago.

As a result of the government's ban on demonstrations, ADOC urged Panamanians to walk down the sidewalks of 50th street and Via Espana—Panama City's main streets—starting at noon on Wednesday. It also urged people to throw shredded white paper and streamers from the balconies of buildings and to wave white handkerchiefs.

An ADOC pamphlet proclaiming the alliance's victory in the now annulled 7 May elections states: "Use your imagination and protest as you wish." ADOC also called on its supporters to bang pots and pans on Wednesday night and university students to "insert" white flags into the ground and to light candles on Thursday night.

Solis Palma on New Elections

PA2405192389 Madrid EFE in Spanish 1840 GMT 24 May 89

[Text] Panama City, 24 May (EFE)—Manuel Solis Palma, minister in charge of the Panamanian Presidency, said today that "neither the psychological nor physical conditions exist" for holding new elections before 1 September, the date his term of office ends. He added that this opinion is shared by the OAS delegation that is in Panama to find ways of agreement between the government and the opposition in the wake of the annulled 7 May elections.

In a meeting with government officials today, Solis Palma said that, according to a law that regulates Executive Branch activities, "an official is obliged to remain in his post until his replacement arrives."

The recent elections were annulled on 10 May, aggravating Panama's 2-year political crisis. An OAS delegation made up of OAS Secretary General Joao Baena Soares and Diego Cordovez, Sahadeo Basdeo, and Mario Palencia—foreign ministers of Ecuador, Trinidad and Tobago, and Guatemala, respectively—has been in Panama since Tuesday to seek a rapprochement among Panamanians that would end the crisis.

Solis Palma said that his government is prepared "to seek ways of national agreement," but he explained that "as long as one of the groups believes that Uncle Sam is going to place them in a position to decide the Republic's destiny, there can be no understanding." Solis Palma said the decision to annul the elections was made exclusively by the Electoral Tribunal.

Solis on Election Annulment

PA2405195589 Panama City Domestic Service in Spanish 1754 GMT 24 May 89

[Speech by Manuel Solis Palma, minister in charge of the Presidency, during a meeting with representatives of various government agencies at the Atlapa Convention Center in Panama City on 24 May;—recorded]

[Text] A considerable number of vote tally sheets were blank because poll representatives from both sides were bribed; this includes members of the Electoral Tribunal [TEP] and political parties. There is evidence that many vote tally sheets were left blank, some were signed in indelible ink and bore roman numerals and were circulated in advance. They had been filled in ahead of time so that the figures and signatures could be added.

All those things have been discovered. I do not understand why TEP officials have not made a public scandal of this. In San Blas, there is evidence that 250,000 balboas were distributed on the last day of the elections [as heard] on one of the islands. We have the exact number of people who participated in that action, because they ran out of cash twice and the money had to be sent right away; there was no time to send it in armored cars. This shows the large amount of money that was used to buy consciences, party poll representatives, and votes. In one case a $100 bill was found inside a green star [Christian Democratic Party] ballot. The voter apparently was confused and cast his ballot together with the money he had received for his vote. [crowd laughs]

We have all that evidence. All those things happened. It was one of the most corrupt and foul elections in the history of our Republic; therefore, they had to be annulled. However, there is one clear fact: On 1 September, there must be a transition in government. It is impossible to call new elections before 1 September, because they would have be be held during the 1st week of August in order to finish the vote-counting process and to have newly elected authorities by 1 September. Under the current psychological conditions affecting the Panamanian community, the trauma of the recent elections, it is impossible to call new elections by 15 August or 1 August. It is physically impossible; there is no possibility of that. The OAS delegation has admitted that this possibility does not exist.

This means that there cannot be a transfer of power on 1 September. However, the Administrative Code establishes in two articles—I believe in Articles 136 and 137—that when a government official is not replaced, he must remain in his post until someone replaces him. [applause] Therefore, legally there is no problem; legally there is no problem. [crowd shouts: Viva Solis Palma!; viva!] That is a fact. However, there is a political problem which requires a solution.

More Solis Palma OAS Comments

PA2405203889 Hamburg DPA in Spanish 1951 GMT 24 May 89

[Text] Panama City, 24 May (DPA)—Panamanian President Manuel Solis Palma said today that the OAS foreign ministers delegation that is visiting Panama to promote an understanding among the country's political forces realizes that it is impossible to hold new general elections before 1 September, the date on which his term ends.

In a meeting with government officials, Solis Palma said that the Panamanian administrative code legally permits him to remain in office after 1 September if his replacement has not been named. He explained that a political power group must be defined by that date.

The president explained that such a political power group "does not mean that the presidency must be turned over to our opponents; it could go to a member of the same side." He added that OAS delegation members had told him that they "have come to try to reconcile two brothers who have quarreled; what happened in the past is past and no longer matters."

He said that those who expected "the OAS delegation to come to give the elections to particular candidates were left disappointed." Solis Palma said that his government is politically committed to the achievement of an agreement to benefit the country, because it believes in human rights and in democracy; but foremost it believes in national liberation.

He said that as long as the United States is intervening in Panamanian internal affairs, "we do not feel obligated to agree to anything." Solis Palma also said that the "arrogant" opposition is not going to agree to any formula for a national agreement, because it believes that "Uncle Sam is going to place them in a position to determine the Republic's destiny."

In another part of his statements, Solis Palma said that a member of the European Parliament, who had observed the 7 May elections, had told him that "in the world's opinion, the Panamanian Government lost the elections 3 months before they were held because of the poor image that had been projected abroad."

He added that neither progovernment presidental candidate Carlos Duque nor opposition candidate Guillermo Endara could prove that they had won the past elections annulled by the Electoral Tribunal.

Arias Calderon on Protest

PA2405233589 San Jose Radio Impacto in Spanish 2130 GMT 24 May 89

[Statement by Ricardo Arias Calderon, Civic Democratic Opposition Alliance first vice presidential candidate, to the Panamanian people on 24 May; place not given—recorded]

[Text] Panamanians: The Ecuadoran, Trinidad-Tobago, and Guatemalan foreign ministers, accompanied by the OAS secretary general, are in Panama from today until 26 May. They have come to show us the concern and solidarity of all the countries in our continent for the Panamanians' struggle to attain liberty, justice, and democracy. During the period the OAS mission is in the country, I invite all Panamanians to make ourselves be heard in the only way the dictatorship allows us to express ourselves: As President-elect Guillermo Endara has requested, let us be heard with the noise made by banging pots and pans from 2100 to 2115 tonight, tomorrow night, and Friday night. Let the noise made by the pots in Panama City and throughout the country be our voice of protest and let the noise be so hard that it reaches the ears of the foreign ministers and the OAS secretary general. Let them know the Panamanians have to express themselves with the noise made by pots because the government wants to silence our voices and does not allow radio and television stations and newspapers to have freedom of expression although it is a human right and a constitutional right of all Panamanians. I call on you to make the noise thunderous tonight, tomorrow night, and Friday night so we can transmit the message that comes from the depth of the Panamanians' conscience to the depth of the conscience of the fraternal nations in the OAS. This message is to be our people's shout for freedom, justice, and democracy and will continue until the dictatorship falls and we may be able to start a new phase of our history by implementing reconciliation, fraternity, and peace.

Reaction to 17 May Resolution

PA2405225389

[Editorial Report] The following is a review of Panamanian react to the 17 May OAS foreign ministers meeting on Panama and resulting resolution and decision to send a delegation to Panama to investigate the situation. This review covers the period from 17 to 24 May and includes some items that have been processed in fuller form.

The morning following the 17 May OAS foreign ministers meeting, Panamanian Foreign Minister Jorge Ritter was interviewed by Panama City Radio BB Network, and he said that "the OAS resolution is a disappointment for the United States because it is far from being a coercive action or a sanction along those lines." Ritter added that "the resolution reflects the complexity of the problem," because "it urges refraining from any action detrimental to the principle of nonintervention." Ritter also stated that "the OAS delegation members are not judges," but they "will promote formulas among the sides to move the country forward." Ritter noted that "it would do no good if (the commission members) return to Washington to report there was no climate for agreement in Panama."

Panama City Televisora Nacional on 18 May reported that "Washington's goal was for the immediate and devastating action" by the OAS, "seeking the isolation of Panama and a joint OAS resolution breaking diplomatic and trade relations with Panama," but "it did not succeed."

Panama City LA REPUBLICA DOMINICAL on 21 May cited National Liberation Coalition presidential candidate Carlos Duque Jaen as saying that "neither the OAS nor any other international organization has the right to meddle in Panama's affairs," because "these organizations have no political, judicial, or moral authority to judge peoples."

On 18 May, Panama City LA REPUBLICA reported on statements by Darinel Espino, secretary general of the Democratic Revolutionary Party (PRD), as saying that the PRD "believes the OAS resolution was influenced by the United States, and it is contradictory" because "it talks about nonintervention" and "of Gen Noriega's excesses." Espino added that this "is regrettable for the OAS" because "it proves how much it has decayed in the past few years."

Panama City LA REPUBLICA's 18 May editorial said that "the contents of the resolution drafted by the Latin American foreign ministers regarding the situation in Panama represent treason" and "the United States, like a master puppeteer, has used the dollar to manipulate a meeting that should have realized the moral obligation to accuse those who acted as prosecutors." The editorial added that "despite the shame and pain we feel in seeing this Inter-American organization at the edge of a cliff, we understand why it assumed that position"—because "the Yankee pressure is too much" for "those nations that suffer hereditary complexes."

On 19 May, Panama City CRITICA carried an editorial that scored "the Yankees and their OAS lackeys," who "justify their meddling in the domestic affairs of a friendly nation." The editorial added that "the OAS foreign ministers set the stage for carrying out Washington's imperialistic plans" by using "velvety diplomatic expressions" to disguise "plain and vulgar intervention." The editorial added that "Panama needs no mediators to solve its problems."

The 19 May "Fausto's Mailbox" column in Panama City MATUTINO said the U.S. Government "could not exert enough pressure on the OAS" to approve a resolution "Made in the USA" that would serve "its deadly plans to provoke a struggle among Panamanians," but, "upon instructions from the genocidal and thieving cowboy who directs the current U.S. Administration from his ranch in California," the OAS resolution "included a paragraph that injured our national dignity."

On the other hand, Panama City LA ESTRELLA DE PANAMA's editorial on 21 May said "the OAS resolution must be viewed for its most positive aspects," and "we must open the doors to an understanding and an appreciation of that regional organization's genuine intentions." The editorial added that "we should take advantage of the OAS presence" to "reach an agreement that can be honored by all the parties involved in the conflict that has been exhausting the country's economic, social, and moral reserves."

On 18 May, Madrid EFE in Spanish reported a Panamanian opposition statement as saying that "the transfer of power requested" in the OAS resolution "is inconceivable without the immediate withdrawal" of General Manuel Antonio Noriega. The statement also said that "the most important decision reached by the OAS was that it would send three foreign ministers to Panama to urgently promote formulas of agreement to ensure" the "transfer of power with full respect for the Panamanian people's sovereign will."

Concerning the decision to send an OAS delegation to Panama, Havana PRENSA LATINA on 21 May reported that "Panamanian President Manuel Solis Palma said that the OAS commission" has "already made a decision" and it "will come to Panama simply to fulfill a duty and give the impression that it is seeking an accord among the various political groups." Solis Palma reportedly added that the commission "will recommend that Panama be isolated from the OAS," but "the objective is a simple one"—"to topple Noriega."

MATUTINO's 23 May editorial said the OAS commission coming to Panama "will have the saddest mission to carry out" if "we judge from the text of the resolution serving as the basis for their visit." The editorial added

that "the OAS has issued a resolution without bothering to investigate the case." The editorial noted that "the OAS commission members should be objective" but will surely "arrive, see nothing, and depart." An earlier MATUTINO editorial, on 19 May, said that "the distinguished OAS delegates who will arrive in our country to accomplish a delicate mission regarding the Panamanian situation are advised" to bear in mind that "the voiding of elections is an irreversible fact"; that "whatever the results of the OAS delegation's investigations, its responsibility is limited to reporting its findings to an OAS plenary meeting"; that the 7 May elections were ruined by President Bush's statement "that his government would not acknowledge the results" if "the progovernment candidate wins"; that Bush's "$10 million worth of support" for the opposition, "diplomatic, economic, and psychological aggression" against Panama, and "the presence of thousands of U.S. soldiers" cannot be "conducive to a climate of effective democracy"; and that "the climate of violence" created the day after the elections was "promoted by the anticipated U.S. interpretation of the election results."

A Panamanian Government communique issued on 22 May and carried in CRITICA on 23 May stated: "The Panamanian Government believes the resolution approved on 17 May... contains criteria, assertions, charges, and proposals that are not provided for in the OAS Charter and that are unacceptable offenses to the nation's dignity, such as the ill-intentioned mention of the commander in chief of the Panama Defense Forces." However, the communique added: "Our government welcomes any initiative that, within the strict purview of the OAS and with due adherence to the UN Charter and international law, can establish the true nature of the crisis as a conflict between Panama and the United States. The Republic of Panama, however, will never accept any action that is considered interference in its national sovereignty."

Prior to the OAS delegation's arrival, two Panamanian press editorials criticized what they saw as the delegation's mission. CRITICA on 23 May wrote that "the OAS's actions do not give reason for us to have much faith in that organization" and that "it is not absurd to say that the OAS has already written its report, that the sole purpose of its visit is to pave the way for Bush's armed intervention after diplomatically isolating our country." Similarly, Panama City MEDIODIA on 23 May questioned the need for the OAS delegation's visit, claiming that the delegation will arrive "full of prejudice and with an already prepared ruling under their arms."

Upon the delegation's arrival, however, Televisora Nacional broadcast a report on the evening of 23 May claiming that with the arrival of the first OAS delegate, "our country has become a fertile ground for dialogue and the search for its own identity..." In the same report, Foreign Minister Ritter remarks that the delegation's members "are very welcome in our country to try to promote reconciliation among Panamanians, to try to help us Panamanians reach an agreement. If they could help us, I believe they will be rendering a great service to the country and to Panamanian democracy."

In a 24 May speech to government officials, Manuel Solis Palma, minister in charge of the presidency, was cited by Hamburg DPA as saying that those who expected "the OAS delegation to come to give the elections to particular candidates were left disappointed." Also on 24 May, Panama Domestic Service broadcast a recording of this speech, during which Solis Palma also says that there is no possibility of holding new elections before 1 September and that "the OAS delegation has admitted this possibility does not exist."

Need for Commission Questioned

PA2405154289 Panama City MEDIODIA in Spanish 23 May 89 p 2

[Editorial: "What Is the OAS Delegation Doing in Panama?"]

[Text] According to the OAS resolution approved 1 week ago, a four-member commission will arrive today in Panama to carry out the task of "urgently promoting formulas to reach a national agreement that would ensure a democratic transfer of power as soon as possible, fully respecting the Panamanian people's sovereign will."

The same resolution states, in its sixth point, that it urges all governments "to abstain from any action violating the principle of nonintervention in other countries' domestic affairs."

The article is undeniably based on Article 18 of the OAS Charter, which clearly states that "no state or group of states have the right to intervene—directly or indirectly and regardless of the reason—in the internal or external affairs of another state. The previous principle excludes not only an armed force but also any other form of interference or threat against the state's integrity and the political, economic, and cultural elements that it comprises...."

It is obvious that the mandate included in the resolution that instructs the delegation members to seek the mechanisms to ensure "the transfer of power in the shortest time possible" completely contradicts point six of the resolution and Article 18 of the OAS Charter.

Nevertheless, the OAS secretary general and the three foreign ministers who make up the delegation will arrive today in Panama full of prejudice and with an already prepared ruling under their arm. Therefore, those of us who hope that our principles and our people's right to self-determination will be respected ask ourselves continuously: What is the OAS doing in Panama?

OAS 'Prejudiced' Before Visit

PA2405171389 Panama City CRITICA in Spanish 23 May 89 p 4

[Editorial: The OAS Decision (or the Chronicle of an Announced Sentence)]

[Text] Never before has the reputation of an international organization weighed so heavily on the consciences of a people as the current image projected by the OAS on the Panamanian people. Who can believe that the OAS foreign ministers delegation arriving in Panama today is coming in good faith? Who can believe that it is not prejudiced and that its sole purpose is not to serve the U.S. President's objectives?

We would like to believe the contrary; we would like to believe that this delegation is going to investigate and learn about all the U.S. aggressions stoically endured by the Panamanian people for almost 3 years—or that it is at least going to try to learn about these things. That would be a good beginning.

We would like to believe that the absurdity of having attributed Panamanian problems to General Manuel Antonio Noriega, commander in chief of the Defense Forces—in an unprecedented resolution in the annals of international diplomacy—was a slipup rather than the result of pressure from President Bush. We would like to believe that.

Nevertheless, the OAS' actions do not give reason for us to have much faith in that organization. Thou shalt know them by their actions.

It is not absurd to say that the OAS has already written its report, that the sole purpose of its visit is to pave the way for Bush's armed intervention after diplomatically isolating our country.

Since Bush the tiger has already shown his fangs by imposing the OAS resolution condemning Gen Noriega, it is not hard to surmise that the delegation arriving in our country today has the mission of giving the final thrust of the sword to end the national liberation process led by Noriega.

Can anyone in Panama believe in Red Riding Hood after seeing the wolf's backside, a wolf prepared to devour us, with or without the OAS? Can anyone...?

Further Reportage on Post-Election Events

'Simulated Attacks' on Noriega

PA2405212389 Madrid EFE in Spanish 1900 GMT 24 May 89

[Report by Andre Claret]

[Text] Panama City, 24 May (EFE)—A high-ranking Panama Defense Forces [FDP] officer today reported a U.S. Air Force "simulated attack" on Panamanian military installations, "including the headquarters" of General Manuel Antonio Noriega.

The officer, requesting anonymity, said the "simulated attacks" were carried out in the past few days by U.S. "Cobra" helicopters and A-7 planes.

He warned of a possible military incident between the two countries as the result of the "increasing" movement of U.S. Army vehicles and U.S. Air Force planes in Panama.

The Panamanian officer said: "These movements cannot at all be justified by the treaties." (Panama and the United States signed these treaties in 1977).

A Pentagon source, Peter Williams, yesterday said in Washington that the U.S. Government has begun to deploy troops and armored vehicle convoys in Panama "as a show of force."

The source said these movements are carried out, according to the Pentagon, in line with U.S. "rights" stipulated in the 1977 treaties.

The FDP has prepared a report, to which EFE has had access, detailing some of these recent "operations," the most important of which includes the stationing yesterday of four M-113 "armed" armored personnel carriers in front of Fort Amador, where Gen Noriega has an office.

The report added that "simulated attacks" have also been carried out against the installations of Battalion 2000—one of the leading FDP units—located approximately 50 kilometers from the capital.

The Panamanian military report said "reconnaissance flights" have been carried out over Panama and Colon (the country's second largest city, located on the Caribbean coast) by a three-engined plane to check the movement of troops and vehicles.

He said another U.S. military plane, a C-130 aircraft, has been carrying out "reconnaissance flights over Panamanian airspace," stressing that those flights over the capital, "at night and without navigational lights, represent a serious danger for commercial flights."

The Panamanian officer described those alleged U.S. military actions as "provocations" and said the vehicles are deployed "without any previous notification" to the Combined Board—composed of Panamanian and U.S. representatives—"as established in the Treaties."

"The FDP should not be blamed if a U.S. military convoy is sabotaged outside the areas of military coordination," the officer added, referring to the [words indistinct] vehicles of the Southern Command within the perimeters established in the Canal Treaties. The Panamanian officer said the "FDP will do everything possible to avoid provocations" and described some of the reported maneuvers as "tests."

According to some military analysts, the Pentagon has recently adopted a stronger attitude toward the Panamanian regime and Gen Noriega, following instructions from U.S. President George Bush.

A veteran European diplomat recently told EFE that General Fred Woerner, commander in chief of the U.S. Southern Command, told him during a meeting that "Bush cannot lose the battle against Noriega."

However, the Panamanian officer disagreed with that statement, stating that "Woerner knows very well the implications that a U.S. military intervention would have in Panama."

The officer said the decision to send reinforcements was made "to satisfy the demands of politicians" (of the U.S. State Department) and is only supported by some military men, who he described as "hardliners." Among those he mentioned General Marc A. Cisneros, Southern Command operations director.

"I am sure Woerner did not want any of this to happen," the officer said, without expanding on his statement.

Last week, the United States sent to Panama a contingent of 1,881 men and a great amount of military equipment to "reinforce" security for U.S. citizens residing in Panama and the canal area, in addition to the regular 10,300 troops already in the country.

Solis Palma To Remain in Post

PA2405214589 Paris AFP in Spanish 2049 GMT 24 May 89

[Text] Panama City, 24 May (AFP)—Shortly before meeting here with an OAS mediating delegation, Carlos Duque, presidential candidate for the official National Liberation Coalition (COLINA), stated today that Panama "is unprepared" for new presidential elections.

Duque, accompanied by COLINA vice presidential candidates Aquilino Boyd and Ramon Sieiro, arrived at the Marriott Hotel, in the western part of the capital, to meet with the OAS delegates, who are on a mission entrusted them by the OAS foreign ministers to find an agreement among Panamanians.

The Panama Electoral Tribunal [TEP] annulled the 7 May elections because of alleged U.S. interference, while the opposition continues to claim an "overwhelming victory" in the elections.

Duque, who is also president of the ruling Democratic Revolutionary Party (PRD), said "The PRD is prepared for new elections, but the country is unprepared."

Duque said the PRD "is awaiting and will comply with the decision President Manuel Solis Palma makes to solve the Panamanian conflict." He reiterated that "there must not be any interference in Panama's domestic affairs by any country or international organization."

For his part, Panamanian President Manuel Solis Palma said today he will stay in power after 1 September, "until my replacement arrives," as is established in the "Panamanian administrative code."

Speaking to 1,000 private enterprise and government workers, Solis explained that any official who does not have a replacement "is obliged to remain in his post."

However, the president said that "we must find a solution" to the political problem.

"We must find a political solution to this situation of power and its transfer," adding that it does not mean "we must turn over power to the opposition."

On the OAS delegation in Panama headed by OAS Secretary General Joao Baena Soares, with whom he met yesterday, Solis said the delegation "has not come to request recognition of the 7 May elections" annulled by TEP.

The leader of the opposition to General Manuel Antonio Noriega today rejected "any proposal" by the government that does not include the recognition of the results of the last 7 May elections and the resignation of the controversial military man.

"We will not accept any proposal that does not recognize the 7 May elections," Endara stated after meeting today with the OAS mediating delegation.

Endara, together with opposition running mates Ricardo Arias Calderon and Guillermo Ford, said the opposition insists on the military men's "recognition of our triumph and reestablishment of public liberties."

Endara also stressed that we must find a way for "Gen Noriega to step down" and for "an agreement between the civilians and military men."

"We will not accept anything that does not respect the people's will, and we will not betray the people," Endara concluded.

PRD Files Annulment Suit

PA2505015889 Panama City Televisora Nacional in Spanish 2300 GMT 24 May 89

[Text] The Democratic Revolutionary Party [PRD] has filed an unconstitutionality suit against Decree 58 of 10 May 1989, which was issued by the TEP to annul the 7 May 1989 elections in its entirety—that is, all elected offices that were to be proclaimed before the Supreme Court of Justice.

PRD Deputy Secretary Gustavo Melgar, representating PRD Secretary Darinel Espino, accompanied by Jose Juan Ceballos, Rogelio Sanchez Tack, and Vicente Arosemena, filed the suit before Dr Jose Guillermo Broce, secretary general of the Supreme Court of Justice. As he filed the unconstitutionality suit, PRD Deputy Secretary Gustavo Melgar said:

[Begin Melgar recording] We participated in the election process that ended with the 7 May elections, in which our people showed their support for the ticket headed by Mr Carlos Duque Jaen. That is why we are now upholding our people's triumph before the proper legal institutions. We will uphold our triumph through legal means; we want that triumph recognized, because our people cannot allow the meddling of other interests and peoples who seek to destroy that candidacy, a candidacy born of the people. We uphold that victory and reject TEP's decision to annul the elections. [end recording]

Solving Political 'Power Vacuum'

PA2405183789 Panama City CRITICA in Spanish 23 May 89 p 4

["Political Arena" column by Baltazar Renan Aizpurua: "On Keeping This Legislative Assembly: No way..."]

[Text] A small party within the defunct [as published] COLINA has conducted a well orchestrated—we must admit—propaganda campaign to announce three proposals on how to fill the power vacuum that will flare up on 1 September, the constitutional deadline of the current leaders' and legislators' terms in office.

In a morning Radio Nacional program I host with Euclides Fuentes Arroyo, I presented these proposals, although mine were a little different. This small COLINA party's proposals refer to the possibility of the current legislators extending their terms in office. Two citizens have intimated that the current "fathers of the nation" should form a constituent assembly, since there exists a precedent for that. I want to be very frank and state that the alternatives I have proposed—which, instead of being speculative, represent an effort to promote a debate on the suitability of certain political courses of action—do not envision any extension of the current legislators' term in office. If such an extension were to be considered, I would be the first to take to the streets to fight—with rocks if necessary—such a blunder.

I believe that the majority of our people agree that the Legislative Assembly is a waste of money and that petty and power-hungry politicians, who could not care less about the people, use the Assembly as a forum in which to exhibit their egocentric personalities as they try to build up their images. I believe that humble Panamanians—who are the majority—would vote in favor of the Assembly of Corregimientos becoming again the principal body representing participative democracy.

As a greeting to the OAS delegation arriving in Panama today, I present the following as some of the alternatives available to the Panamanian people. Of course, I do not mean to say that these are the only possible alternatives.

These alternatives must all occur by means of a multiparty agreement

1. The Legislative Assembly extends Solis Palma's mandate for 2 years:
a. The Assembly, Provincial Councils, and District Councils are dissolved.
b. The Executive rules by means of decrees.
c. Elections are called within the next 2 years.
2. Solis Palma's presidential term expires on 31 August 1989.
a. The Assembly calls the president of the Supreme Court of Justice to assume the Panamanian presidency.
b. Elections are called within the next 2 years.
c. The Assembly, Provincial Councils, and District Councils are dissolved.
d. Ruling is done by decrees.
3. Solis Palma's mandate is extended for 2 years.
a. The Assembly and all councils are dissolved.
b. Ruling is done by decrees.
c. A Constitutional Assembly is called 1 year later, after its members are selected.
d. The Constitutional Assembly chooses the president of the Republic, whose mandate will expire in 1994.

For any of these alternatives to materialize, they must have the approval of the political parties that participated in the last elections. These parties will have to issue a statement of principles rejecting foreign intervention for any reason whatsoever, rejecting meddling in our domestic affairs, and demanding compliance with the Torrijos-Carter Treaties and respect for our people's right to self-determination.

Other alternatives are:
1. Coup d'etat.
Provisional civilian-military government; a transitional period; this would not involve General Noriega's leaving the FDP command or the country.
2. Military coup.
FDP would rule for 2 years and call elections for a Constitutional Assembly. General Noriega would continue being the civilian-military leader of the plan for national liberation, strengthening the [revolutionary] process and taking our revolution forward.

Bank Manager Denies Charges

PA2505021489 Madrid EFE in Spanish 0045 GMT 25 May 89

[Text] Panama City, 24 May (EFE)—Rafael Sanchez Garros, general manager of Banco Exterior de Espana's Panama branch, today rejected Panamanian Minister in Charge of the Presidency Manuel Solis Palma's charge that Banco Exterior transferred approximately $800,000 into Panama before the 7 May elections, funds that the Panamanian opposition used to "buy votes."

According to what Solis Palma said today at a meeting with government supporters, "Banco Exterior certifies that the bank sent a plane on 4 May with a lot of money; although we do not know the exact amount, it is said that approximately $800,000 was sent to Chitre and Las Tablas," two towns located in the central part of the country.

Solis added: "That indicates the amount of resources the opposition had to buy consciences and party poll representatives."

Sources at Banco Exterior's Panama branch told EFE that the transfer of funds, which indeed took place, had nothing to do with the alleged Panamanian opposition's irregularities Solis Palma reported. Banco Exterior said the transfer of funds is a "regular" delivery of funds to the bank's branches in the interior of the country, because those branches do not have available cash.

Sanchez asserted that before the 7 May elections, which were later annulled, many customers witwdrew their funds "from the entire banking system," because they feared the banks could close. That withdrawal of funds left many branches without cash.

The Banco Exterior manager added that the withdrawals in Chitre and Las Tablas were not made in huge blocs on behalf of the opposition parties, as Solis Palma hinted, but that "many customers" made many minor withdrawals of funds.

Sanchez added that the managers of the Banco Exterior branches in Chitre and Las Tablas were detained for a few hours for questioning regarding why the funds were sent to those branches from Panama City.

Sanchez also said the small plane used to transfer the approximately $800,000 is still being held by the authorities at a Panama City airport for further investigation.

According to Sanchez, the funds were transferred by plane and not in an armored truck because the branches needed the cash urgently, although he insisted that the transfer of funds had nothing to do with an alleged delivery of funds to the opposition.

Minister Solis Palma said the opposition paid $100 a vote and that in the Indian San Blas Intendency on the Caribbean coast, "$250,000 were distributed on the day before the elections."

Endara Seeks Military Accord

PM2505100489 Barcelona LA VANGUARDIA in Spanish 19 May 89 p 7

[Interview with oppositionist Guillermo Endara by special correspondent Joaquim Ibarz by telephone; date, place not given]

[Text] Bogota—"With the OAS' help we will succeed in establishing democracy in Panama, since Noriega has been explicitly condemned by the Latin American community and is isolated because the world considers him a repressive dictator." This was said by Guillermo Endara, the civic opposition candidate who, according to the church and observers, won the presidential elections by a large majority.

Endara said that the "transfer of power within complete respect for the people's sovereign will" demanded by the OAS resolution is not feasible "without Noriega's retirement as soon as possible." "The only solution to the Panamanian crisis is the recognition of the people's will as expressed on 7 May, General Noriega's retirement from the Armed Forces, and consultations between civilians and the military to place the Defense Forces in a professional position," Endara added.

Interviewed by LA VANGUARDIA by telephone, Endara rejected reports of his having accepted an agreement that would permit Noriega's continued leadership of the Defense Forces. "Above all, it is a matter of not frustrating the people's will, which was clearly expressed despite the tricks, frauds, and deceptions practiced before the elections. As far as I am concerned, the people's will is the will of God. I have often repeated that there can be no real democracy in Panama with Noriega in power. The 7 May vote was a vote for democracy and against Noriega."

[Ibarz] Would you agree to form part of a provisional junta until another election is held?

[Endara] No, absolutely not. I would perhaps agree to form part of a transitional junta through 1 September, when the new president is due to take office. From 1 September all that can be done is to respect the people's vote: There is no room for any concessions or agreements. Why hold another election if the rejection of the regime would be even greater? Noriega can never win without fraud. We democrats do not accept any solution other than the verdict of the ballot box.

[Ibarz] You talk about consultations between civilians and the military. How could such an agreement be achieved?

[Endara] We want to place the Defense Forces in an honorable, professional position in which they can function within a democratic state under orders from the civilian authorities, as happens throughout Latin America. We do not reject Noriega but, rather than consultations with the general, we are seeking consultations with the military. We are including Noriega because we must negotiate a solution acceptable to his personal situation. Be that as it may, we will never negotiate behind the people's backs.

[Ibarz] Is the military totally behind Noriega?

[Endara] Our military is composed of Panamanians born in Panama of Panamanian parents and with Panamanian children. I refuse to believe that all members of the Defense Forces are anti-patriots like Noriega, that they

do not care about the tragedy being suffered by their country. I am convinced that there are many people within the Defense Forces who care about the people and about everything to do with Panama. I do not believe that Noriega is in absolute control of the Armed Forces. I trust that some day—soon, I hope—patriotic officers will emerge who will curb this situation, which is untenable for the military.

[Ibarz] Has the opposition emerged weakened from the only relative success of Wednesday's strike?

[Endara] Actually we paralyzed the country, despite the fact that business did open in the morning owing to the threats and coercion of the regime, which once again displayed its repressive nature. In the afternoon the whole of Panama was shut. No trade was conducted.

[Ibarz] Noriega accuses you of being a U.S. puppet...

[Endara] That makes me laugh, because the United States supported him until 1988 and was his ally in the 1984 elections, which were won by Arnulfo Arias, who has always been my leader and who was a genuine Panamanian nationalist, which is why Washington did not like him. In fact the United States harms us more than it helps us, because sometimes it provides Noriega with arguments for continuing his campaign of false nationalism.

[Ibarz] Do you believe that a North American invasion could take place if the diplomatic pressures fail?

[Endara] It would be the worst option. I have always rejected military intervention. We Panamanians must resolve this problem with political and diplomatic help from abroad. Ours is a civil, not an armed, struggle. I spoke with Bush by telephone and he reaffirmed to me that he will act by common consent with the Latin American countries, which are opposed to a military action.

TV Censorship Condemned

PA2405154589 Madrid EFE in Spanish 0105 GMT 24 May 89

[Text] Panama City, 23 May (EFE)—The Panamanian National Journalists Association today commented on the "censorship" imposed on television newscasts and the government's "harassment" of some local media and local and foreign journalists.

The National Journalists Association communique criticized the censorship of television newscasts, which have been virtually suspended since the 7 May Panamanian elections, which were annulled 3 days later.

Since then, only one of the three Panamanian television channels—progovernment "Channel 2" [Televisora Nacional]—is carrying newscasts.

The Journalists Association also protested the expulsion of 14 foreign correspondents who were covering the postelection incidents. The National Journalists Association communique adds that news material belonging to those correspondents was confiscated.

The Journalists Association reported the centralization of news transmissions, "which violates the right to disseminate information" and the illegal suspension of international channels' broadcasts.

As of 7 May, the authorities have suspended the U.S. news programs that are received by cable television in Panama. Most newspapers sympathetic with the opposition have been shut down for over 1 year.

The authorities explained that these measures have been taken in response to U.S. "aggression" and the "disinformation" on the Panamanian crisis. In an interview published by the Cuban press agency PRENSA LATINA, General Manuel Antonio Noriega, commander in chief of the Panama Defense Forces and Panamanian "strongman," reported today the existence of "scientific plans to distort" the Panamanian situation.

Argentina

Menem on Economic Crisis, Alfonsin Actions

PY2405193089 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1138 GMT 24 May 89

[Text] Buenos Aires, 24 May (NA)—President-elect Carlos Menem has said he wishes President Raul Alfonsin "the best of luck in the last months of his government. These will be very difficult months because we will be confronting an overall and absolute crisis. A crisis that will confront us with extreme situations and virtually galloping hyperinflation."

Menem said this last night in the "Tiempo Nuevo" channel 2 television program. He was asked whether he believes "people will think he did not support Alfonsin."

Through a telephone call, Menem said: "No, on the contrary. The president and his advisors have not been very clear. They were not clear in their proposals. We cannot assume responsibility for a situation we did not create."

Asked what can be done in this situation, Menem said: "Menem will not be the only one to work. My entire team of advisors will do everything necessary so that this transition period will not result in complete chaos, so that we may (?overcome) this situation."

Menem said: "It will be fortunate if the president accepts our proposals. If he does not, it is too bad. "Menem said that the present government is requested "to resolve the serious salary issue, the problems the provinces are facing, and the paralyzation of small-sized companies."

He added" "I will provide the figures that show how dramatic the situation is: a retiree earns $10, pensioners earn $5; the minimum salary totals $22. The president must understand that these issues must be resolved in order for us to overcome the crisis."

When told that there are no reserves to confront the situation, Menem said: "if there are no reserves—and there really are no reserves—the only alternative left is to issue money."

Asked about the war economy that was announced by President Alfonsin, Menem said: "Alfonsin talked about this in 1985. At that time he also talked about the possibility of a Lebanonization. He is no longer talking about it anymore but he continues to express himself along the same line. So far he has not adopted any measures to overcome the economic crisis, unless he now comes forth with a proposal to do so."

Asked whether he is preparing himself to [word indistinct] the crisis when he assumes power, Menem said: "Absolutely. This is why we are working. The serious mistake that the Alfonsin administration made is that it did not contact or negotiate with production sectors. It acted with a certain arrogance in view of its overwhelming victory in 1983. Now in his speech, Alfonsin is proposing what our party has been proposing over the past 2 years: to talk. This is what we are doing with the CGT [General Confederation of Labor]; with the industrial sector; this is what we did with the coordinating boards. All of these actions have yielded positive results."

He added: "We are going to be well-prepared when we assume power. We will be prepared to give answers to these problems that are affecting all of us. It will take 2 years before we see any results although we hope to see them sooner."

When he was told that he has created a "true revolution" by visiting Bunge and Born businessmen yesterday, Menem said: "What are the origins of this company that has developed into a multinational company? It started here in Argentina. It has 37 offices here in Argentina and it is a job source for thousands of Argentines. In the La Rioja Province it has a company that employs 500 people. By investing, despite the risks of doing so in an unstable community such as ours, this company is adopting a firm attitude."

Menem Interviewed Prior to Elections

FL2405162089 Bogota EL TIEMPO in Spanish 7 May 89 p 3B

["Exclusive" interview with President-elect Carlos Saul Menem by EL TIEMPO correspondent Blanca C. Loboguerrero, in Buenos Aires "several days before the 14 May elections"]

[Excerpts] [Passage omitted] [Loboguerrero] If you were elected president, would you ask other political forces to help you govern?

[Menem] One of my basic goals is attaining national unity, but this has nothing to do with coalition governments or co-governments.

To put it a bit more clearly, I am going to ask any Argentine citizen who is needed for a specific function to collaborate with my government, regardless of the individual's political persuasion. As General Juan Peron used to say: "We all have to cooperate to fix up Argentina; otherwise it will be a lost cause."

[Loboguerrero] Once in power, in which sectors do you plan to generate employment so as to begin solving the country's problems?

[Menem] Our policy will be to give more privileges to the working man. That is why we have been talking about discarding the system of speculation that prevails nowadays and reinstating the concept that work dignifies the individual.

We want manual workers, white collar workers, scientists, intellectuals, farmers, businessmen, and industrialists—in other words, the entire productive sector—to regain confidence in themselves and in their work. In this way, and only in this way, will we be able to overcome the grave social and economic crisis we are experiencing today. We also intend to create the conditions and draft the clear rules needed to draw foreign investment back into the country. At present there is hardly any foreign investment due to the existing situation. [passage omitted]

[Loboguerrero] How will your government carry out this production revolution?

[Menem] The production revolution will promote production, intensive effort, hard work, and foreign as well as domestic investment. It is the only way in which we can reactivate the deteriorated Argentine economy, which is currently bogged down by a wretched system of financial speculation...and financial speculation runs counter to production.

The production revolution, as its name implies, is the opposite of parasitic speculation, which tries to obtain money with money instead of through work, effort, and investment.

[Loboguerrero] As president, what could you do to promote Latin American integration?

[Menem] I believe I am not mistaken in stating that our dark-skinned America is a continent with vast potential in most every field. We have natural resources, scientists, technicians, intellectuals, and so on, and they all have an important mission to fulfill in the coming years.

We plan to make daily efforts to strengthen our fraternal ties in all areas: political, economic, and cultural.

My administration will strengthen relations with all fraternal Latin American countries. It will promote any policy that will help solve the common problems that afflict us, and help develop any common projects that would definitively strengthen our position as a hub of economic activity and a source of political power. [passage omitted]

[Loboguerrero] One last question: What are your thoughts about amnesty, pacification, and the situation of the Argentine Armed Forces?

[Menem] Those who continually attack me confuse the terms pacification and amnesty. Neither I nor Justicialism are in favor of amnesty. The only way to get our national situation back on track is through the unrestricted operation of the three branches of state created by the Constitution. Any attempt to curtail these operations, whatever the pretext, would be overstepping the bounds of the Constitution.

Pacification is based on justice; it is a broad concept that requires social peace, institutional stability, economic stability, individual security, and the citizen's trust in the government.

Bolivia

Interior Minister Denies Terrorist Encroachment

PY2405153289 La Paz PRESENCIA in Spanish 17 May 89 p 1

[Excerpts] Interior Minister Eduardo Perez yesterday said that the fact that Shining Path terrorists are getting nearer to Bolivia does not mean that they are involved in Bolivian political affairs.

Perez was responding to an article published by the French newspaper LE MONDE. This article, which was translated by the FIDES NEWS AGENCY [ANF], has been published by Bolivian morning newspapers. The article says that Shining Path terrorists have established a stronghold in Ayaviri, a Peruvian township just 202 km from the Bolivian border.

Perez said: "Everybody knows that the Shining Path guerrillas are well within 200 km of there, because activities attributed to them have been carried out in the townships of Puno and Juliaca, on the Bolivian border."

Perez asserted that saying that the Shining Path terrorists are near Bolivia is stating the obvious, because they have been operating in the area for a long time. Perez added: "The French journalist can not prove that the fact that Shining Path terrorists are operating near Bolivia means that a political party is interested in promoting guerrilla activities in Bolivian territory."

Perez reaffirmed that no group has yet resorted to guerrilla actions as a way to take over power in Bolivia.

Perez stated that the Bolivian Government is using all mechanisms to safeguard Bolivian territory against attacks from abroad. [passage omitted]

The interior minister told the journalists that the Bolivian authorities "have stepped up" control along the Bolivian-Peruvian border.

Perez also commented to the press about charges that have been made in the last few hours that Bolivian democracy might break down because of the distortion of the popular vote.

The government "must protect the constitutional guarantees and the freedom and dignity of the people," Perez said. [passage omitted]

Government Accepts Argentine Barter Offer

PY2405143089 La Paz La Red Panamericana in Spanish 1130 GMT 24 May 89

[Text] Bolivian Finance Minister Ramiro Cabezas has reported that the Bolivian Government is currently opening letters of credit with which to purchase the goods Argentina has offered as payment for Bolivian gas.

The finance minister explained that since it is obviously impossible to get payment in cash, Bolivia has no choice but to take Argentine goods and sell them abroad. He added that Bolivia will resort to this mechanism for the duration of Argentina's shortage of funds. Bolivia will require the assistance of international trade corporations in this regard.

[Begin Cavezas recording] Unfortunately, the Bolivian Government has no choice but to receive payment in kind for as long as Argentina faces a cash shortage. We are now opening letters of credit. [end recording]

According to Cabezas, by paying off its debts to the Tesoro and Occidental petroleum companies Bolivia has reestablished marketing mechanisms which will facilitate converting Argentine goods into cash. He added that it will take 30 or 40 days for Bolivia to start receiving money from the goods sold. From then on there will be a steady inflow of cash, provided Argentina confirms the letters of credit that have been opened.

Cabezas concluded by saying that the shortage of funds in the country affects only investments and that the salaries of government employees are being financed with domestic funds.

300 U.S. Demolition Experts Expected

PY2405185689 La Paz La Red Panamericana in Spanish 1700 GMT 24 May 89

[Text] The Aeronautics Ministry will coordinate the arrival of 300 U.S. military experts who will work on the demolition of the Pati-Pati hill in Potosi.

This afternoon Aeronautics Minister Jaime Zegada Hurtado will meet President Victor Paz Estenssoro to report on the preliminary tasks by personnel of the Engineering Battalion in Potosi Department.

On instructions from the executive branch, the Aeronautics Ministry will be in charge of implementing this project.

Japanese Community Publishes New Magazine

PY2405173489 La Paz EL DIARIO in Spanish 18 May 89 p 6

[Summary] The first issue of the magazine NIKKEI is now circulating in the country. The magazine is published by the La Paz Nissei Association, headed by Mary Maymura de Solares.

The new magazine provides an example of the excellent level of Bolivian-Japanese relations, which date back to the arrival in Bolivia of the first Japanese immigrants in 1899. The first issue carries a letter from Japanese Ambassador Tekyhosi Ito to the La Paz Nissei Association president and a biography of the late Emperor Hirohito and Emperor Akihito.

Brazil

* Avibras, PRC To Sell Satellite Launchers

33420050a Sao Paulo FOLHA DE SAO PAULO in Portuguese 19 Apr 89 p A-8

[Article by Roberto Lopes]

[Text] The Avibras International Company of London—a subsidiary of Sao Paulo's Avibras Aerospace Corporation, the country's chief arms exporter—signed a contract with the Chinese Government 2 weeks ago to set up an agency which, operating like a trading company, will market launchings of space rockets and supply satellite tracking equipment to Third World countries. The new company will be called International Satellite Communication (Inscom). The signing of the agreement, which took place in Beijing on 4 April, was the result of almost 3 years of negotiations between the Brazilian firm and the China Great Wall Industry Corporation—the industrial arm of the Chinese Ministry of Astronautics.

President Jose Sarney and Minister of Army Leonidas Pires Goncalves were informed of the talks about a year ago—even before Sarney's official visit to China (in July 1988). Except for them, only Ambassador Paulo Tarso Flecha de Lima, secretary general of the Ministry of Foreign Affairs, was kept informed of the details of the plan. The government respected the secrecy surrounding the negotiations. Today, in addition to Sarney, Leonidas, and Paulo de Tarso, only four other ministers—General Ivan de Souza Mendes, chief of the SNI [National Intelligence Service]; General Octavio Moreira Lima, minister of aeronautics; General Rubens Bayma Denys, chief of the Military Household of the Presidency; and Abreu Sodre, minister of foreign affairs—are familiar with the matter.

The secrecy is justified. In the Middle East alone, the immediate potential market for supplying space centers and launching artificial satellites is estimated by the Chinese at DM1 billion ($600 million)—that is, 13 times the value of Brazil's share of the scientific cooperation program with China for building two artificial satellites. The partnership between Avibras and Great Wall will be announced officially within 2 months—during the upcoming International Air Show at Le Bourget in Paris in the presence of government officials from Brazil and China.

News of the deal did not leak out until 3 weeks ago, when two executives from the Brazilian firm Elebra (one of them a colonel in the Air Force Reserve named Mendonca) intercepted a mission from the Chinese Ministry

of Astronautics that was making a courtesy visit to Minister Moreira Lima in Brasilia. FOLHA DE SAO PAULO has learned that the Brazilian pair proposed to the Chinese that a partnership be formed for space launches and the joint development of new rocket projects. The Chinese listened attentively and smiled, and then one of them, U Keli, revealed that China was already involved in similar negotiations with Brazil's Avibras. U Keli, who is Great Wall's vice president for space affairs, is also the number two man in Inscom.

Great Wall's partnership with Avibras differs from the one proposed by Elebra in that Inscom will not concern itself with developing new rockets for its customers, much less with any military objectives in connection with its work (something which the Chinese felt was implied in Elebra's intentions). Avibras and the governments of China and Brazil are well aware of the diplomatic difficulties with the big Western powers that they would have to face if the United States discovered that Inscom was going to sell rockets to Third World countries or that its contracts to supply space centers in the Middle East, Latin America, Asia, or Africa were going to be used for military projects on those continents.

The day before yesterday, late in the afternoon, Avibras Director of Government Relations and Sales Manager Pedro Vial—who will be a kind of manager for Inscom in Brazil—reacted with surprise and great nervousness as he talked to reporters who had gone to the firm's headquarters in the municipality of Sao Jose dos Campos (85 km from Sao Paulo). "The Inscom matter will be announced to the press by the company chairman, Joao Verdi Leite (chairman of Avibras), in Paris in June. Until then, FOLHA DE SAO PAULO will just have to wait," he said at first.

Despite that, Vial could not prevent our newspaper from interviewing two Great Wall executives who were at Avibras over the last holiday preparing the proposal which they will submit to the Ministry of Communications this morning in an attempt to win the contract for launching the satellites included in the Brasilsat-2 program. One of the Chinese, Fu Wen Long, will be a member of the Inscom board of directors. His companion, Chen Shouchun, Great Wall's vice president for science and technology, said that he saw "better prospects for Inscom in South America, the Middle East, and Asia. We are very happy with the new firm," he said in conclusion, and he never stopped smiling.

Capital of $500,000

Inscom, the company formed by the Sao Paulo firm of Avibras and the Chinese Government to launch satellites for Third World countries and supply them with tracking stations, will have its headquarters in Europe and branch offices in Sao Jose dos Campos (at Avibras headquarters) and in Beijing (where Great Wall's main offices are located). The company's initial capital will total $500,000 (about 1 million new cruzados), most of which will be supplied by the Brazilian firm.

Last December, Pedro Vial was in China negotiating that and other final details in connection with the undertaking. The day before yesterday, he would say only that the new company was going to be physically located on the top floor of the so-called VIP wing at Avibras, near the landing strip used by Embraer [Brazilian Aeronautics Company]. Avibras is experiencing a financial crisis. At the end of last year, after the Iraqi Government delayed payment on military rocket launchers of the Astros-2 type—the star performer in Avibras sales in recent years—the firm laid off over 1,000 employees and began paying the remaining 5,000 employees late.

"We had a cash-flow problem which we have not concealed from anyone, including our Chinese partners in Inscom. They know everything. Since our difficulties are due to circumstances of the moment and are temporary, we did not want to interrupt the firm's growth and the project with China. Next week we will begin paying the amounts due those who were laid off but have not yet received everything to which they are entitled. We will also try to straighten out our monthly payments. In other words, we will begin overcoming our difficulties. Today we are convinced that we did the right thing by not suspending the negotiations on Inscom because of our cash-flow problems," said Vial.

In fact, the military and financial areas of the government have always had faith in Avibras' ability to overcome its economic difficulties. A general assigned to Army Headquarters in Brasilia told FOLHA DE SAO PAULO early this month that the yards at one of the company's plants are full of rockets for the Astros-2 armored launch vehicles ordered by the Iraqi Army—and that they will be shipped as soon as the Baghdad government finishes paying off its debt to the Sao Paulo firm. Saudi Arabia, which already has the Astros, is also negotiating a new order for rockets.

In military circles, the difficulties at Avibras are regarded as a direct consequence of the events marking 1988—examples being Brazil's high inflation rate and the end of the Iran-Iraq War. Embraer—which manufactures the well-known Tucano aircraft and is attached to the Ministry of Aeronautics—has announced losses of $20 million for last year.

Great Interest in Rocket Market

The establishment of Inscom is the big bombshell in the genuine war that Brazilian industry's fight to enter the international market for rockets and artificial satellites has become. Last year, after FOLHA DE SAO PAULO reported the difficulties being encountered by the Space Activities Institute (IAE) of the Ministry of Aeronautics in developing a rocket capable of launching the scientific satellites being built by the National Institute of Space

Research (INPE)—and revealed that the INPE was trying unsuccessfully to lease foreign rockets for those launchings—the attention of Brazilian businessmen was drawn to that sector.

And that attention turned into good business prospects when the government announced the negotiations for a space cooperation agreement with the Chinese Ministry of Astronautics (the agreement was signed by President Jose Sarney in July of last year). The agreement provided for the joint development of two artificial satellites—10 times heavier than those being planned to date in Brazil. But the Sao Paulo firm of Orbita felt that satellite technology might be followed by the technology for building rockets, and so it immediately contacted the INPE—which was to be the Brazilian partner of the Chinese.

Orbita's interest in absorbing Chinese technology had the blessing of the INPE's manager at the time, Marco Antonio Raupp (who resigned this past January); but Raupp could never get the government interested in the undertaking, the simple reason being—as he himself was to say later—that there were so many changes of minister in the ministry concerned (the now-extinct Ministry of Science and Technology) that the matter could never be pursued with any regularity. More recently, it was the Elebra firm's turn to try to draw closer to the Chinese (see above).

But Orbita and Elebra were not the only ones to feel tempted by rockets and satellites. Around September 1988, Ozilio Silva, chairman of Embraer (which is attached to the Ministry of Aeronautics and manufactures light aircraft), presented the INPE's management with an order for a military observation satellite for Iraq, an order which could be filled thanks to the institute's experience in building its small scientific satellites.

Ozilio visited Baghdad last December to discuss the matter. But the fact that the order has a military purpose worries the Ministry of Foreign Affairs.

The establishment of Inscom differs from those other initiatives. Inscom will simply combine what Avibras already manufactures—ground-based systems for tracking artificial satellites—with what China already manufactures—space rockets—and try to transform that union into profits.

Avibras Designed Sonda Rocket

Avibras began its activities in 1961 as an aircraft manufacturer. In 1962, however, it won an international contract to produce solid rocket propellants and wound up cooperating with the Ministry of Aeronautics in the development of the Sonda family of research rockets.

After completing its work on Sonda-1 and the Sonda-2B and Sonda-2C rockets, Avibras worked on the second stage of the Sonda-3 rocket. It also worked on a three-stage rocket—known as the Barium Project—which constituted the preliminary design for the Sonda-4 rocket that has now been developed by the Ministry of Aeronautics. Technical disagreements caused Avibras to withdraw from the space program and eventually led it into the arms industry, where it beat all export records from 1985 through 1987.

* PRC Negotiates Bid for Brasilsat-2 Launchers

33420050b Sao Paulo FOLHA DE SAO PAULO in Portuguese 19 Apr 89 p F-1

[Article by Roberto Lopes, followed by interview with Chen Shouchun, executive vice president for science and technology of the China Great Wall Industry Corporation, at Avibras headquarters in Sao Jose dos Campos on 17 April 1989]

[Text] Ten months after President Jose Sarney's visit to China, the Chinese have come to Brazil to test a few of the possibilities for trade between the two countries. This morning, the China Great Wall Industry Corporation—the industrial arm of China's Ministry of Astronautics—will submit to the Ministry of Communications in Brasilia the documents with which it hopes to qualify for Competition No 004/89, which will determine the type of rocket that will carry the Brasilsat-2 program's two artificial satellites into space.

The competition involves a deal that will probably be worth between $60 million and $100 million, and there is already a clear favorite: the French Arianespace firm, which uses the world-famous Ariane rocket (launched from the Kourou base in French Guiana). Arianespace was responsible for the launchings that were part of the Brasilsat-1 phase 4 years ago. The French price is normally lower than that charged by the U.S. launching services—which will also submit bids—but the Chinese promise that they will be competitive. The qualification documents will be examined by experts at Telebras [Brazilian Telecommunications, Inc.] and Embratel [Brazilian Telecommunications Company] (the chief user of the Brasilsat program). Companies qualifying to participate in the competition will have to submit their technical and commercial proposals this coming 4 May.

First and Last

Arriving in Sao Paulo on the morning of the day before yesterday to coordinate the preparation of Great Wall's proposals was the firm's executive vice president for science and technology, Chen Shouchun (see the interview at the end of this article). In recent days, the Chinese have had their headquarters at the comfortable facilities of Sao Paulo's Avibras firm in the municipality of Sao Jose dos Campos (85 km northeast of the capital of Sao Paulo). In Beijing on the 4th of this month, that

firm's London subsidiary—Avibras International—signed a partnership agreement with Great Wall establishing a new company known as International Satellite Communications (Inscom).

Inscom's plan is an ambitious one: It wants to sell rocket launching services and ground-based satellite tracking stations to the countries of Latin America, the Middle East, Asia, and Africa—that is, the so-called Third World countries. The competition for Brasilsat-2 is therefore the first and the last bidding process in connection with rocket launchings in which Great Wall will participate without the support of Inscom—which will not become operational until it is officially launched at the International Air Show at Le Bourget in Paris this coming June.

The day before yesterday, the director of government relations for Avibras (and Brazilian representative of Inscom), Pedro Vial, told FOLHA DE SAO PAULO that the new company had "a potential market worth $50 million annually through 1994 and at least $100 million annually thereafter through the end of the century," but those are conservative figures.

In the bidding for the Telebras contract, Great Wall has a trump card for use at the right time: the possibility of carrying out one of the two launchings from the new Brazilian space center in Alcantara, Maranhao. That center is being built by the Ministry of Aeronautics, and FAB (Brazilian Air Force) officers involved in the project know that any and all joint experience with a foreign power in the field of space launchings is welcome.

This is not the first time that the Chinese have held out the possibility of using the Alcantara center to entice Brazilian authorities. During last year's talks leading up to the signing of a scientific cooperation agreement between Brazil and China for the construction of two artificial satellites, the Chinese also hinted at the possibility of launching the second of those satellites from Alcantara. The FAB did not want the agreement with the Chinese. The top leaders in the Ministry of Aeronautics are afraid that the $45 million which the country is going to spend on that agreement will be needed for development of the space rocket that the Space Activities Institute (IAE) of the Ministry of Aeronautics is developing with so much difficulty.

The Chinese believe that the option of making a launch from the Alcantara center is a strong argument. They consider it unlikely that another space power such as France will agree to bring its technicians, its infrastructure, and especially its launch technology to the humble State of Maranhao.

What the Chinese are not saying, but thinking, is that their greatest chance of winning the Telebras contract lies in the excellent relationship currently existing between the two countries. They are gambling on the Brazilian desire to expand cultural exchange with China—a desire that has already produced the scientific cooperation agreement in the field of artificial satellites—and especially on a kind of Third World spirit with which China seems to be strongly imbued.

Telebras To Choose Supplier

By the end of June, Telebras will announce the winner of the contract for supplying the two artificial satellites for geostationary orbit that will operate in space as part of the second phase of the Brasilsat Satellite Communications Program (Brasilsat-2). Competing in the bidding are the Spar Company of Canada and Hughes of the United States, the latter with a price on the order of $155 million (about $320 million new cruzados at the unofficial exchange rate).

A little over a month ago, when Hughes announced details of its technical proposal during a luncheon at the Maksoud Plaza Hotel in Sao Paulo, some Brazilian sponsors of the event leaked information that the American proposal could be estimated at $90 million. But Brazilian businessmen interested in a victory for Hughes now say that Spar's price is even higher than the American company's price, since it comes close to $200 million (about 400 million new cruzados at the unofficial rate of exchange).

On the other hand, Spar has joined with the Victory firm, a member of the Roberto Marinho group, in its bid to win the satellite contract, while Hughes has joined with Promon Engineering—a firm with a good technical reputation but without Victory's lobbying strength.

The first of the two Brasilsat-2 satellites is to be placed in orbit in 1991. The Brazilian Government has established a few requirements for foreign companies wishing to qualify for the bidding. The most important are these: 1) there must be an association with the Brazilian business community for actual technological cooperation; 2) exports of Brazilian products must equal the full value of the contract signed with Telebras; and 3) two military communication channels to be administered by the Armed Forces General Staff (EMFA) must be included.

Chinese Technology Not Attractive to Brazil

Ever since diplomatic relations were restored on 15 August 1974, Brazil and China have had a cordial relationship, with many projects for cultural and scientific cooperation but few business deals of any importance. The Chinese have a taste for rusticity—which they label simplicity—on an unending list of consumer goods and production goods, while Brazil, like a typical nation of the future, skids along in search of high technology.

As a matter of fact, high technology has become a national mania. The Brazilian consumer demands high technology even in his toothbrush. Strangely enough, there are pockets of knowledge in which the Chinese have developed highly

competitive advanced technology. This is the case, for example, in certain sectors of military science—nuclear experiments, for example. In the second half of last year, the Chinese announced successful experiments with neutron bombs that surprised the most attentive military observers in the West and the Soviet bloc. It is also the case in the field of astronautics.

China has been developing rockets and artificial satellites for 40 years. In the 1960's and 1970's, it prepared to place an artificial satellite in space, something it did not achieve until 24 April 1970. In the following year, it launched its second satellite, and between 1975 and 1984, it launched half a dozen of those satellites, easily achieving the rank of the world's third-largest space power (being surpassed only by the United States and the Soviet Union).

Long March

China's real technological leap in space has been achieved, however, in the field of rockets. Driven by a real obsession not to be left too far behind in the arms race among the big powers, the Chinese developed the family of Long March rockets. The first Chinese long-range rocket—Long March-1 (or CZ-1)—was ready in 1970 for launching the first artificial satellite ever produced in that country. Long March-2 was ready in 1974—and became the first weapon of truly strategic value in the Chinese arsenal—while Long March-3 became operational during the first half of the 1980's.

That is the niche in high technology which Brazil has been trying to approach in recent years through such projects as the one for cooperation in building artificial satellites. The Chinese are aware of this, and they are gambling on that Brazilian desire to achieve other successes.

Interview With Chen Shouchun

The China Great Wall Industry Corporation's vice president for science and technology, Chen Shouchun, is a smiling man about 40 years old who wears simple but elegant clothes of European cut. There is nothing to remind one of the tasteless suits of the Mao era. He does not speak English well (or pretends not to), but seems to understand perfectly whatever is said to him in that language. His answers are not always brief, but their content is never very detailed. In addition to that, he smiles a lot, of course.

The day before yesterday, in an office at the Avibras firm in Sao Jose dos Campos, Sao Paulo (Avibras recently concluded a partnership agreement with the Chinese for offering satellite launchings to Third World countries), Chen—who on his business card precedes his title as "executive vice president" with the words "senior engineer" (in boldface)—granted a quick interview to FOLHA DE SAO PAULO. He talked about the ability of his firm in particular and his country in general to participate in international bidding.

[FOLHA DE SAO PAULO] "Aren't you afraid to do business with the government of a country like Brazil, which is in an almost permanent state of economic crisis?"

[Chen Shouchun] "I feel that we are not offering commodities or superfluous articles, items of clothing, or anything like that. We are talking about a long-term investment in high technology, something that is necessary to any country."

[FOLHA DE SAO PAULO] "Those who compete with the Chinese in the international market usually complain that China's proposals lower prices too much, even to the point of debasing them. Is that a market strategy or the consequence of cheap manpower in your country?"

[Chen Shouchun] "I can give you at least five reasons. And the first of them is the simplicity of our products. The best example of this is the success of the Japanese firm of Toyota. You can cover a lot of distance on the road in a German car in complete comfort. But you can also cover the same distance in a Toyota vehicle, which is simpler, more economical, and just as reliable."

[FOLHA DE SAO PAULO] "The second reason?"

[Chen Shouchun] "I would say that it is a question of reliability. We have already made 25 launchings with our Long March rockets, and all were completely successful. That is important."

[FOLHA DE SAO PAULO] "The third reason?"

[Chen Shouchun] "The fact that we produce all the components we use in our rockets and in other systems serving our space program, such as satellites and ground control stations. We import nothing from the United States or the Soviet Union. Thanks to that domestic production, we reduce the final cost of the products."

[FOLHA DE SAO PAULO] "So far you have not mentioned the matter of manpower. Isn't that a determining factor in Chinese competitiveness?"

[Chen Shouchun] "Yes, undoubtedly."

[FOLHA DE SAO PAULO] "Could it be that it is even cheaper than Brazilian manpower?"

[Chen Shouchun] "Yes, cheaper than in Brazil."

[FOLHA DE SAO PAULO] "You mentioned five reasons."

[Chen Shouchun] "We are not looking for profits" (and he burst into sonorous laughter).

Chile

Foreign Under Secretary on Recent Visit to PRC

PY2405145089 Santiago Domestic Service in Spanish 1030 GMT 24 May 89

[Text] Colonel Ramon Valdes, the Foreign Ministry under secretary, has emphasized that Chilean reality is becoming more clearly perceived abroad every day.

Col Valdes made this remark during a news conference in which he explained the outcome of his recent visit to the PRC and Thailand, from 8 to 16 May.

Col Valdes emphasized that the goals of his visit to the PRC were met. These goals included strengthening political ties with the PRC and studying the possibility of implementing joint ventures.

Col Valdes emphasized the opening of the first Sino-Chilean joint venture [preceding two words in English], a copper tube factory involving the Chilean MADECO [Copper Manufacturers, Inc.] and CODELCO [Copper Corporation] companies.

He said that agreements on cultural cooperation and cooperation in the field of seismology were also signed signed during his visit.

Opposition Leaders Released on Bail

PY2405170489 Madrid EFE in Spanish 0344 GMT 24 May 89

[Text] Santiago, 23 May (EFE)—A Chilean civilian court today released on bail five leaders of the Chilean opposition, among them a Catholic priest. Their detention had been ordered 5 days ago by a military prosecutor.

German Correa, the "second in-command" of the orthodox Socialist Party [PS] which is headed by former Chilean Foreign Minister Clodomiro Almeyda, and Jose Sanfuentes, the spokesman of the outlawed Chilean Communist Party [PCCh], were among those released today. Correa and Sanfuentes were charged with offending the Armed Forces. They paid $100 each to be released on bail.

The other detainees were Father Rafael Maroto, the spokesman for the Movement of the Revolutionary Left, Sonia Palestro, a PCCh leader, and Jorge Heller, from the United Popular Action Movement [MAPU]. Maroto has been suspended from his religious activities by Catholic Church leaders.

The Coalition of Parties for Democracy [CPPD], which is made up of 17 Chilean opposition parties, has expressed surprise over the reopening of this trial, which began in 1986, just as government and the opposition are holding talks on possible constitutional reform.

Nine Policemen Indicted on Torture Charges

PY2505023489 Santiago Radio Chilena Network in Spanish 2300 GMT 24 May 89

[Text] Nine members of the Investigative Police have been indicted by Criminal Judge (Dora Lucic) on charges of torturing inmates Vasiliy Carrillo Nova and Jose Silva Hidalgo. The charges of torture have been filed against two officers, three inspectors, and four detectives.

The policemen could be sentenced to imprisonment ranging from 3 years and 1 day to 5 years.

Jose Silva Hidalgo's lawyer, Hector Salazar, said in court this afternoon:

[Begin recording] Nine members of the Investigative Police have been indicted by the Santiago criminal judge who is hearing two cases of torture against Jose Silva Hidalgo and Vasiliy Carrillo Nova. The nine policemen have been charged with violating Article No 150 of the penal code that refers to illegal arrests and torture of arrested people, in this case Silva Hidalgo and Vasiliy Carrillo. [end recording]

The indicted policemen are: Officers (Ismael Mejias Montaner) and (Jose Bucarey Cespedes); Inspectors (Luis Herrera Araya), (Luis Gonzalez Cuevas), and (Nelson Cortes Gutierrez); and Detectives (Jorge Martinez Rutela), (Pedro Riveros Haedo), (Eugenio Maire Gonzalez), and (Eduardo Molina Valdeti).

Charges of illegal arrest against one of the nine policemen are also being sought.

Vasiliy Carrillo Nova was indicted for participating in the attack against Chief of State Augusto Pinochet. Jose Silva Hidalgo is being tried for the murder of a detective.

According to the charges, the two inmates were subjected to a Brazilian-style torture, by which victims are hanged, beaten, and receive electric shocks to their genitals and extremities.

Four of the nine indicted are accused of torturing Jose Silva Hidalgo; the other five of torturing Vasiliy Carrillo Nova.

New Organization To Seek 'Third Republic'

PY2405180689 Santiago ANALISIS in Spanish 8-14 May 89 p 12

[Summary] During a news conference on 4 May it was reported that an organization called Independents for Chile [Independientes de Chile] has been created with the objective of establishing a "third republic."

Francisco Iturriaga, Independents for Chile chairman, has said that the "third republic" seeks to overcome the crisis resulting from the military dictatorship. He added this goal can be achieved through "a free, integrated, creative, and solidary society."

It was reported that Independents for Chile is comprised of people who supported the no vote during the plebiscite and former Armed Forces members.

Humanist Party Elects Executive Board

PY2405152089 Santiago Domestic Service in Spanish 1030 GMT 24 May 89

[Summary] The Humanist Party, which has not yet attained legal status, elected its new executive board last weekend.

The Humanist Party executive board now includes Laura Rodriguez, president; Raul Florcita Alarcon, Tomas Hirsch, and Pablo Vergara, vice presidents; Tomas Bize, secretary general; and Jaime Noriega and Gonzalo Garcia Huidobro, under secretary general or treasurer. [as heard]

This article previously appeared in the 22 May Latin America DAILY REPORT and is being reprinted to include the graphic.

* Electoral Law Impact on Senate Races Viewed

33480167b Santiago HOY in Spanish 3 Apr 89 pp 3-6

[Article by Maria Irene Soto: "Candidates for the Senate—Stop and Go"]

[Text] It was in Victoria, during the summer. A committee made up of area notable residents met together—privately—with President Augusto Pinochet. They told him, very bluntly, that the "Santiago" electoral experts in that region, Number IX (the only one where the "yes" faction won), had had the ingenious idea of eliminating nothing more or less than one of the districts—Number 47.

And when all was said and done, this meant two fewer deputies for the government option.

Surprised by the news, Pinochet did not understand very well, at first, what his supporters were getting at. They explained it to him, using pencil and paper to make an outline, showing that the increase in the number of districts in the Metropolitan Region would create a risk that they would lose in the Congress.

Once convinced, the general folded the little sketch in two and tucked it into a pocket in his uniform. And then he returned to Santiago.

This was more or less how the third consideration with regard to the draft law on electoral districts, which was announced just last week, originated. It is the last of the constitutional laws, and according to some experts, it should have been promulgated even prior to the 5 October plebiscite. "This is an inexcusable delay," according to electoral expert Eric Campana, a Christian Democrat.

But the most surprising thing, without a doubt, was the executive proposal to the Ruling Junta that electoral pacts be allowed between two or more groups claiming ideological affinity. Indeed. The very same groups which a couple of weeks ago wanted nothing to do with each other.

It is said that the leading advocates of such pacts were the leaders of the Independent Democratic Union (UDI).

The notorious isolation of the UDI is, if nothing more, a subject of concern to the government political team. This is especially true of Minister of Interior Carlos Caceres, who is even said to have met with some well-known leaders of the National Renewal Party (RN) to inform them of his annoyance.

And there is more. The man who heads the minister's office staff, Arturo Marin, is close to and is known to have excellent relations with the UDI.

However, not everyone in the RN shares the same view. In Sergio Onofre Jarpa's camp, it is said that those who suffered the worst defeat in all of this have been precisely the fellows in the UDI. And this would be because what they proposed was open, rather than closed pacts, such as the government spoke of in its recommendation to the Junta. On the other side of the coin, it is the people in the RN who are happiest with the changes.

A Known Author

But this is not all the law allows. In another paragraph, there is a provision for parties to include on their slates (on which there may be no more candidates than the number of posts to be filled—in other words two) independents who have not been members of political groups. HOY has learned that there is a name attached to this provision. And it is that of the minister and secretary general of government, Miguel Angel Poduje.

According to our information, Poduje informed General Pinochet of his availability as a candidate for a senatorial seat for Santiago, but on one condition—he would prefer to remain an independent.

For this reason, the president called a member of the legislative commission reporting on the draft and specifically instructed him to include this provision.

In any case, it is still not very clear what will happen with the interpretive law conceived by Luz Bulnes to put an end to parliamentary disabilities. It appears that this is not the best solution. The opposition does not like it, nor does Admiral Jose Toribio Merino.

On Tuesday, the 28th, Merino told journalists that "the message the executive branch has sent is very incomplete. This is a much more complex subject, and it has many provisions connected with other laws which cannot be amended, or should have been amended." That same day, he announced that the law would finally be promulgated this Tuesday, 4 April, during the regular session of the Ruling Junta.

The most likely thing is that the law will be approved more or less as it was announced last week. If there are some changes, they would be along the lines of making the requirements the parties must meet when it comes to engaging in an electoral pact more specific. In Merino's view, at least, requiring "ideological affinity" is not enough. He says that what is needed is "something more precise, something more exact." Or perhaps "a narrower framework," as Eric Campana described it to HOY.

Hasty Meeting

And although the text was not legally binding yet, the political parties accepted its mechanisms last week.

Some, such as the Christian Democratic Party (PDC) and the Party for Democracy (PPD) learned of the new draft before it was reported in the press. On the night of Tuesday, 28 March, hasty meetings were called. The map of the districts had changed, and the candidates had to adapt themselves to the new structure.

The problem became rather complicated for the deputies, although not for the senators, of whom there will continue to be two per region (as the Constitution provides). The new electoral map reduces the districts in the Metropolitan Region from 21 to 16, for example, and those in Region VIII from 8 to 7. And it increases those in Regions III, IV, V, VII, and X by 1 each.

And what happened with Region IX and its District 47? Well, nothing. Because in any case the district goes to Region VIII. But the meeting with Pinochet in Victoria was the key to the change in the districts.

A Problem for the Opposition

It is true that pacts could benefit almost all of the political parties. However, the binominal and majority system established by law continues to be a real problem for the opposition. This is because even if 66.6 percent of the votes are won, only one deputy or one senator can be elected. In other words, it may happen that a party, or several of them, thanks to the pacts, can win control of a half of the parliament with only 34.4 percent of the votes.

With these analyses on the agenda, the electoral commissions in each party completed the work begun during the summer last week. At least now they are speaking the same language, a member of one of these commissions told HOY.

On Monday, 27 March, Campana met with the national officers of the PDC and told them plainly that they should not tie themselves to any formula. The goal, he said, would be "to win the largest number of parliamentary seats by making use of all the advantages provided by the law." Everything depends on the region, the district, the projected results of the plebiscite, and what the historic vote has been in each place.

It is thus that Coronel has become the most certain locality for the opposition. In the plebiscite, there were 67.79 percent "no" votes. The worst result, with 39.83 percent, was seen in Villarrica, where it is said a candidate will in any case be elected.

With the figures in hand, the leaders are taking giant steps in negotiation. The individuals getting the most response are the candidates for senatorial seats. The most sought after of all the regions is the Metropolitan Region, because the path from there to the next presidency of the Republic (within 4 years?) is the shortest. This is the reason for the insistence of Ricardo Lagos, who has privately said that he does not want to run against Eduardo Frei, but would prefer to run against Andres Zaldivar. But the PDC has not said who its man will be. For the time being, it is known that the two will be allowed to compete until the time comes for the National Council to make its decision. And there are some who venture to say now, while others state categorically that in the end, the candidate will be Eduardo Frei.

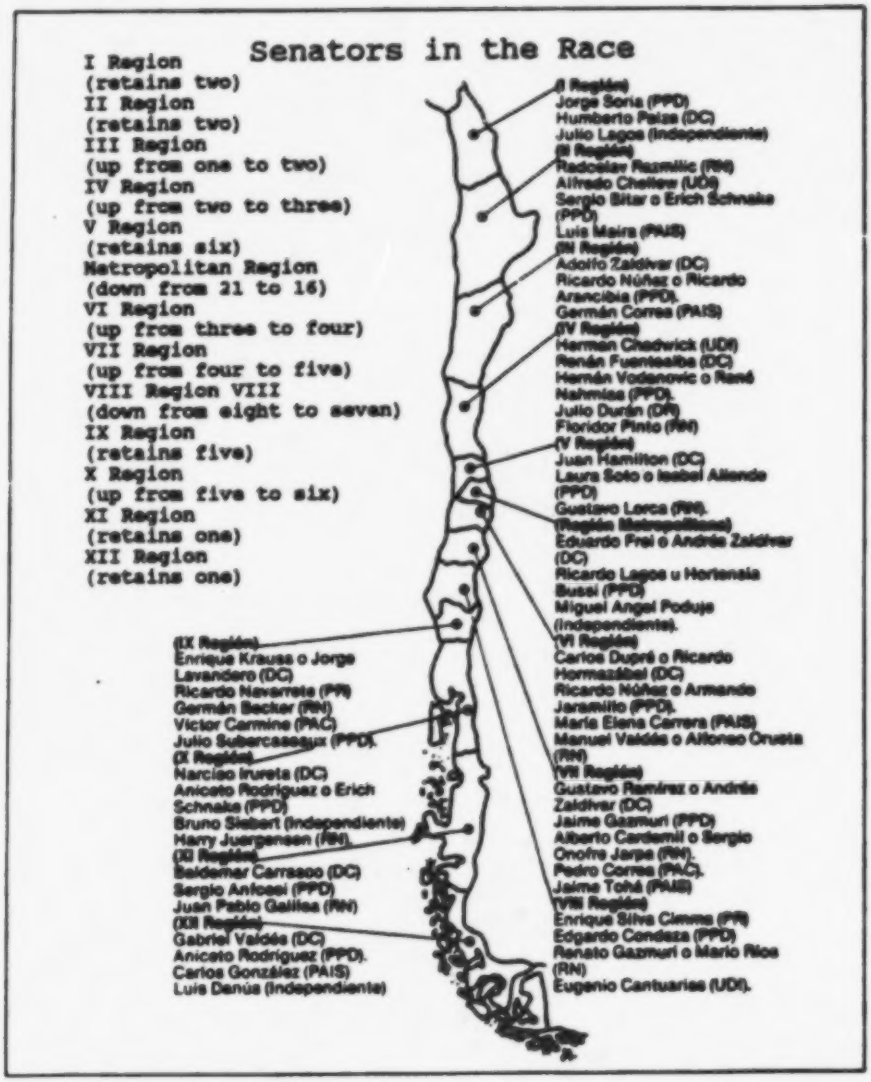
This is the reason Andres Zaldivar is moving quickly. Last week, he notified all of the members of the board of officers and the National Council that he would run as a candidate for Santiago, and also for the presidency of the PDC. Frei, not to be outdone, sent a message to Aylwin telling him he was willing to be nominated. To summarize, the battle will be a rather harsh one.

Important Regions

In sketching the PDC picture region by region, HOY has learned that both Region I and Region II will probably be "surrendered" to the left wing. In Region III, the candidate is Adolfo Zaldivar, who has already announced. Region IV goes to the minority, with Renan Fuentealba as the standardbearer. In Region V, there is Juan Hamilton, and in Region VI, there is doubt—Carlos Dupre and Ricardo Hormazabal are the names most frequently mentioned.

Region VII might be the second choice of Andres Zaldivar if he is not nominated in Santiago. Region VIII continues to be reserved for presidential precandidate Enrique Silva Cimma, although there has been evidence of support for a reworking of the old vice presidencies.

The atmosphere in Region IX is not very relaxed. The Christian Democrat Jorge Lavandero has thrown himself into the fray, and if his party does not support him, he says he will run as an independent. For this reason,



the provincial council in Temuco has made a point of asking Enrique Krauss to run as a candidate for the zone. In the last three regions, the situation is a little clearer. At least there is a single PDC candidate for each—Narciso Irureta in Region X, Baldemar Carrasco in Region XI, and Gabriel Valdes in Region XII.

And these are the candidacies for the time being. Once the law is promulgated this Tuesday, the candidates of each party will be more clearly defined. It is indeed obvious that the PDC will not fall below nine, or at worst eight, senators. Meanwhile, a PPD source has assured HOY that his party will settle for seven.

The electoral experts will have a hard time convincing its leaders, especially since according to the opposition count, with a great deal of luck it could elect up to 16 senators. And the PDC and PPD candidates alone total 16.

The best thing would be patience. For, it is said, they will wait until the very last moment on Tuesday, 11 July, to register. And if possible, they will ask someone to make arrangements so that the director of the Electoral Department, Garcia Rodriguez, will not lock the door at midnight exactly.

Colombia

Alan Garcia Arrives, Calls Noriega 'Dictator'

PA2405150089 Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 24 May 89

[Text] Peruvian President Alan Garcia, Latin America's youngest leader, arrived today in Colombia. On his arrival Garcia referred not only to the Latin American debt problem but to the situation in Panama. He told newsmen he regards Noriega as a cheap dictator and that it is not the United States but Latin America and the Panamanian people who have isolated Noriega. Raul Gutierrez has more details on the 1st day of Garcia's visit to Colombia:

[Begin recording] It has been 47 years since a Peruvian president made an official visit to Colombia. Alan Garcia has arrived at a time when his country and ours are being affected socially, politically, and economically by drug trafficking and guerrillas. Garcia was welcomed with honors at Narino Palace. Despite the problems their governments are facing, Colombian President Virgilio Barco and President Garcia will sign economic and trade cooperation agreements and a political declaration on the Latin American debt and the Panamanian problem. [end recording]

Insurgent Groups Agree To Negotiations

LD2405103389 Madrid Domestic Service in Spanish 0600 GMT 24 May 89

[Text] Officials of the Revolutionary Armed Forces of Colombia [FARC], the oldest guerrilla organization in Latin America, have begun their European tour with an announcement to Spanish National Radio [RNE] of an immediate agreement of all the Colombian insurgent groups to negotiate with the government of President Virgilio Barco and also with the Colombian Army a peace agreement including political and economic reforms and a new constitution. [passage indistinct]

The FARC officials have begun in Madrid a European tour to ask the EEC countries to monitor and verify the dialogue for peace in Colombia. They call on the Colombian Government, as a first sign of goodwill, to stop the actions by the death squads and to dismiss the senior military officers accused of organizing them. The Colombian guerrilla coordinating committee confirmed exclusively for RNE that they are ready to fight in Panama if there is a U.S. military intervention.

[Begin unidentified speaker recording] From the beginning we have said we are with Panama. Over and above the differences there may be toward the Defense Forces (?or) General Manuel Antonio Noriega, we believe it is a question of national sovereignty, and in this we place no restrictions on the solidarity which [words indistinct] the popular movement and guerrilla movement [words indistinct]. [end recording]

Helicopter With 13 Persons Aboard 'Missing'

PA2405213289 Hamburg DPA in Spanish 2038 GMT 24 May 89

[Text] Bogota, 24 May (DPA)—It has been reported in this capital that a helicopter with 13 persons aboard was declared missing this morning. The helicopter was to fly a short distance between two airports in the northwestern department of Antioquia.

Initial reports indicate that the helicopter, which is owned by a local firm, took off from Medellin at 1120 and headed for Jose Maria Cordoba International Airport in the city of Rionegro, a flight that usually takes no more than 7 minutes. According to Colombian Civil Aeronautics officials, the aircraft, which was transporting 11 passengers and had a 2-man crew, did not arrive on time, and its whereabouts are unknown.

Some people have said the aircraft could have had an accident, considering the poor weather conditions that prevail in the area. However, no one has discarded the possibility of armed men having hijacked the helicopter.

On 21 May a helicopter in which well-known drug-trafficker Pablo Escobar Gaviria could have been traveling allegedly crashed somewhere in the eastern plains of Colombia. Escobar Gaviria is the boss of the Medellin cartel, the world's largest cocaine-trafficking organization.

Helicopter Reportedly Hijacked

PA2505002389 Paris AFP in Spanish 2239 GMT 24 May 89

[Text] Medellin, 24 May (AFP)—A helicopter that disappeared today with 13 persons aboard near this southwestern city, Colombia's second leading city, was hijacked by some of its passengers, according to the Civil Aeronautics office.

All contact was lost with the aircraft, a private Helicol Bell helicopter, after it took off at 1118 on a routine 10-minute shuttle flight between Olaya Herrera and Jose Maria Cordoba Airports. After futile air and land searches, it was learned after 1600 that Pedro Suarez, the pilot; Beatriz Munoz, the copilot; and another traveler had appeared in Santuario in eastern Medellin.

The regional aeronautics office announced that the aircraft had landed on the outskirts of Puerto Triunfo, to the east, where a waiting crew took charge of the plane and departed for an unknown destination. Thus far, the helicopter's whereabouts are unknown.

Napoles farm, owned by drug trafficker Pablo Escobar, is located in Puerto Triunfo. It was rumored over the past few hours that Escobar had suffered an accident "somewhere in Colombia" while flying his private helicopter on 21 May.

This led to speculation that the Helicol aircraft had been hijacked to aid Escobar, considered a Medellin cartel kingpin.

* 'Elite' Antiparamilitary Force Created

33480172a Bogota EL ESPECTADOR in Spanish 22 Apr 89, pp 1A, 12A

[Excerpt] With 250 men assigned, recruited from officers, noncommissioned officers, and agents of the National Police who have particularly distinguished themselves for their efficiency, the "elite" force or the Special Armed Corps (CEA) will begin to operate next week. It will be charged with combating terrorism and gangster activity. This force was established by President Barco under Decree No 814 of 19 April as a first step toward the implementation of new operations against organized crime.

At the same time expedited action will be taken on two or three additional decrees which are now under study or are being drafted in the office of the president. Under these decrees the procedures of the state of siege may be used for the expropriation of the property of narcotics traffickers, for the investigation of improperly obtained fortunes, and for the modernization of teams for the protection of judges, their assistants, and witnesses coming under the judicial branch of the government.

Operational Autonomy

General Miguel Antonio Gomez Padilla, the director of police, under whose command this new security, intelligence, and investigatory body was placed, said that gradually the strength of the "elite" force will be increased to 1,000.

He insisted that foreign instructors will not be needed for the training of these men, who will fight against organized crime. This is because the techniques, arms, and resources essential for their adequate training are available in Colombia.

General Gomez Padilla said that the members of the CEA, also known as an "elite" antiterrorist force, will be given intensive training in Bogota, even though the corps contains personnel who already have adequate training in antiterrorist operations and in combat operations in the police forces.

The 250 men of the CEA will initially be divided into two companies and will have all of the necessary resources and equipment. Procedures will be established for the acquisition of all equipment which may be required additionally for their fight against the squadrons of death, the bands of murderers, and the self-defense or private justice groups which some people call generically the "paramilitary."

The decree which established the Special Armed Corps provides that the functions assigned to it do not exclude the designation of similar functions which correspond to the permanent armed and intelligence forces of the state.

The military forces will give priority to the assistance required for what is provided for in this decree.

The New Decrees

Government spokesmen said that President Barco, his ministers, and advisers are working on another package of measures under the state of siege to complement the new strategy against terrorism, organized crime, and narcotics trafficking. In the view of some observers they will be stronger and more important than the first three decrees issued this week.

The president will go to Cartagena on 23 April to attend the Habitat Conference which will bring together representatives of about 36 Latin American and Caribbean countries. He will be accompanied by Minister of Development Carlos Arturo Marulanda and Minister of Foreign Affairs Julio Londono.

On his return he will issue two or three additional decrees on the expropriation of the property of narcotics traffickers and the investigation of improperly obtained fortunes. On 20 April President Barco was in Medellin, where he announced that the government will be implacable in combating the mafia.

Support of the Colombian Communist Party

As was announced on 21 April, the political parties, without exception, supported the government measures.

The Communist Party issued a communique on 21 April in which it stated that "the actions taken against gangsters were a positive step." It added that these measures should be followed by further action.

The communique, signed by Gilberto Vieira and the other members of the Executive Committee of the party, stated:

"The government was slow to take action against the ultraright-wing groups, which were the fruits of the alliance of the military commands and the bosses of the narcotics traffic. So that the measures announced may achieve their purpose, it is necessary for President Barco to make a real decision to strike at the brains of this dirty war and end the impunity which surrounds the intellectual and material authors of the violence which has been directed against our people." [passage omitted]

Paraguay

Rodriguez Appoints Presidential Adviser

PY2405221689 Asuncion EL DIARIO in Spanish
24 May 89 p 16

[Excerpt] On 23 May Dr Miguel Angel Gonzalez Casabianca was assigned to work with the Presidency of the Republic with the rank of ambassador. Gonzalez Casabianca told the press that President Andres Rodriguez offered him the position.

Gonzalez Casabianca said that "in principle, the duties assigned to my post are linked with the political advice that the president may require on a specific case. That is, it is not a position with clearly established responsibilities. It is a position for fulfilling specific tasks and special missions ordered by the president." [passage omitted]

Senate Creates 13 Working Committees

PY2405233089 Asuncion EL DIARIO in Spanish
24 May 89 p 6

[Text] After introducing changes suggested by the Authentic Radical Liberal Party [PLRA], the Senate created a total of 13 committees. In addition to the usual 12 committees, the Senate decided to create a new Proceedings Committee, which will be entrusted with promoting the expeditious treatment of bills. This new Senate Proceedings Committee comprises the Senate president, the two Senate vice presidents, and Senate bloc leaders.

Herewith is the list of the Senate committees and their members (in all cases the first one named is the committee chairman):

Constitutional Affairs and National Defense Committee: Edgar L. Ynsfran, Carlos Augusto Saldivar, Carlos Romero Pereira, Carlos Maria Ocampos Arbo, Roque J. Avila, Alcibiades Fernandez, Rodrigo Campos Cervera, Evelio Fernandez, Fernando Vera. Legislative, Codification, Justice and Labor Committee: Waldino R. Lovera, Eduardo San Martin, Juan Manuel Frutos, Federico Zayas, Marina Aquino de Ortiz, Abraham Esteche, Manuel Augusto Radice, Rodolfo Gonzalez, Evelio Fernandez.

Finance, Budget, and Expenses Committee: Blas N. Riquelme, Federico Zayaz, Carlos Romero Pereira, Marina Aquino de Ortiz, Cancio Ayala Cantero, Gustavo Diaz de Vivar, Domingo Laino, Juan Carlos Zaldivar, Fernando Vera. Foreign Relations Committee: Pedro Hugo Pena, Carlos Augusto Saldivar, Carlos Maria Ocampos Arbo, Carlos Zayaz Vallejo, Roque J. Avila, Cancio Ayala Cantero, Evelio Fernandez, Rodolfo Gonzalez Garabelli, Fernando Vera.

Requests, Accreditation, and Regulations Committee: Federico Zayas, Pedro Hugo Pena, Waldino Ramon Lovera, Carlos Zayas Vallejo, Julio Rolando Elizeche, German Ayala, Nelson Garcia Ramirez, Manuel Augusto Radice, Ludovico Tessada. Human Rights, Cultural, Educational and Worship Affairs Committee: Carmen Casco de Lara Castro, Roque J. Avila, Carlos Zayaz Vallejo, Delio Farina, Cancio Ayala Cantero, Ludovico Tessada.

Latin American Economic, Development, and Economic Integration Committee: Juan Manuel Frutos, Carlos Romero Pereira, Gustavo Diaz de Vivar, Alvcibiades Fernandez, Domingo Laino, Fernando Vera. Agrarian Reform and Rural Welfare Affairs Committee: Carlos Romero Pereira, Mario Mallorquin, Juan Manuel Frutos, Jose D. Ovelar, Jorge Luis Barboza, Fernando Vera.

Public Health and Social Security Affairs Committee: Roque J. Avila, Pedro Hugo Pena, Delio Farina, German Ayala, Rodrigo Campos Cervera, Silvio Velazquez. Municipal Affairs Committee: Mario Mallorquin, Eduardo San Martin, Abrahan Esteche, Fulgencio Aldana, Carmen Casco de Lara Castro, Rodolfo Gonzalez Garabelli.

Public Works and Communications Affairs Committee: Marina Aquino de Ortiz, Abrahan Esteche, Alcibiades Fernandez, Julio Rolando Elizeche, Nelson Garcia Ramirez, Silvio Velazquez. Energy, Resources, and Ecological Afairs Committee: Carlos Maria Ocampos Arbo, Alcibiades Fernandez, Gustavo Diaz de Vivar, Jose D. Ovelar, Juan Carlos Zaldivar, Manuel Augusto Radice.

Pucheta Resigns as Supreme Court Justice

PY2405210189 Asuncion EL DIARIO in Spanish
24 May 89 p 36

[Excerpt] As of 23 May, Justo Pucheta Ortega is no longer a justice of the Supreme Court. Pucheta's resignation has been accepted by President Andres Rodriguez and Justice and Labor Minister Alexis Frutos Vaesken, who signed Decree No 202 accepting Pucheta's resignation.

Pucheta had "survived" several changes in the judicial branch during the Stroessner era, even after the resignation of Supreme Court President Luis Maria Argana. Although the decree does not indicate who will replace Pucheta, it is believed that it will be Jeronimo Irala Burgos, whose name was mentioned for the post in the press a few days ago. [passage omitted]

Foreign Ministry Legal Adviser Resigns

PY2405221089 Asuncion EL DIARIO in Spanish
24 May 89 p 16

[Excerpt] [Passage omitted] The resignation of Jose Antonio Moreno Ruffinelli as legal adviser to the Foreign Ministry has been accepted through Decree No 214, which was signed on 23 May. The decree also expresses the government's thanks for the work he has done. The same decree also names Americo Velazquez as Moreno Ruffinelli's replacement.

Venezuela

* Businessmen Discuss Perez' Macroeconomic Plan

33480178a Caracas NUMERO in Spanish
30 Apr 89 pp 18-19

[Text] The 19th Annual Assembly of the National Council of Trade and Services (Consecomercio), held in Maturin from 14-18 April, served as an occasion for President Carlos Andres Perez and his cabinet ministers concerned with economic affairs to discuss the program of macroeconomic adjustment with businessmen. The problem of nonrecognition of all letters of credit entered into at the rate of 14.50 bolivars to $1.00 (The total value of these instruments is about $6 billion), the uncertainty about the forthcoming trade policy, excessive price increase, and the speculative component of business activity were perhaps the most critical points which came up at the assembly.

Reportedly, the commercial sector is particularly sensitive to the program of adjustment. It is an economic link which is very close to the consumer. The whole weight of criticism regarding speculation, shortages, and unreasonable price increases falls on retail merchants. At the same time they are accused of setting up monopolies and organizing cartels on the prices of many basic products.

And as if this were not enough, elements of the private sector of the economy were among the principal victims during the riots of 27 and 28 February.

Eternal Argument

Independently of the discussion of contemporary problems such as, for example, the matter of the letters of credit, the government's scolding speech was repeated once more at Maturin. President Perez practically reminded the retail businessmen of their speculative urges and gave them to understand that the state does not wish to return to the old policy of price regulation. Perez sought to warn them that retail merchants should assume responsibility for the policy of freeing prices, without yielding to the temptation of excessively increasing the cost of products by means of speculation.

For its part the retail trade sector defended itself, and Edgar Romero Nava, the new president of Consecomercio, pointed out that the existing monopolies and oligopolies were established by the state itself. The retail merchants admitted that prices had been increased due to speculation and called on speculators to reflect on the process. Nevertheless, they asserted that the increase of prices which is being referred to should not be attributed solely to speculation by retail merchants but rather is a reflection of a market structure which has defects in other relationships before it reaches the retail business sector.

Promises

On this occasion at Maturin the traditional compromise between the government and retail merchants was reached, each one making its quota of sacrifices so that the economy of the country would continue to progress toward sustained development. The government will look for mechanisms to relieve the impact of the decision on letters of credit, and the retail businessmen promised to ensure supply and affordable prices in the market.

Beyond the compromises, what was clear was that the commercial sector at present is confronted by one of the greatest challenges facing the Venezuelan economy. Under a program of liberalization of the economic structure which the present government intends to implement, the behavior of the leaders of the retail merchants and the very functioning of the retail trade sector will be key points of reference in evaluating the success or failure of that program which, day by day, is placing Venezuela on a new plateau. It will be the fundamental task of the retail trade sector to demonstrate that the Venezuelan economy can operate under the pressures of a free market, where the diversity of prices is the best proof of competition.

When the 19th Annual Assembly of the National Council of Trade and Services opened, President Perez spoke to the members of the retail trade sector of the quota of sacrifice which they should make to overcome the crisis. At the end of the day the retail merchants, in parallel fashion, as if they did not want to do it, raised their hands to support the package of measures of adjustment. But just as they gave, they hope to receive. They demanded that the government sector should also sacrifice a little. Finally, the exchange of sacrifices gave birth to the Declaration of Maturin, a document which provided:

- We consider it appropriate in principle and therefore deserving of the support of the whole nation to undertake the program of macroeconomic adjustments announced by the president to achieve the objective he set forth of establishing a competitive economy which will emphasize, throughout the market, individual initiative and the human and material resources of Venezuela, generating noninflationary and self-sustaining growth of our economy and opening it to the currents of the international market;
- We understand the immense difficulties and the related problems implied in moving from an interventionist, monopolistic, subsidized, and inefficient economy to a new kind of economy with the previously indicated characteristics;
- In view of the price increases now taking place in the market, which are being attributed simply to speculation by the retail merchants, it is necessary to emphasize that, as the final link of the production chain, retail trade reflects the behavior of the whole structure of the economy and of the problems which affect the market, including: (a) artificially holding down prices for political reasons for a long time; (b) the

190-percent devaluation of the bolivar means that we have moved to a floating rate for imports, covering not only future imports but also those for the year 1988 because of the partial repudiation of payment for imports made in that year; (c) the increases in the prices of raw materials and the cost of operating state-owned enterprises, which in many cases has led to direct increases in costs on which national production is dependent; (d) the government has freed prices without simultaneously implementing a tariff policy to eliminate obstacles and import licenses as well as exaggeratedly high customs duties, which would have allowed competition in the market to break monopolistic and speculative tendencies which originated when there was a totally protected market;

- As a result of the activity which we are engaged in and its relationship with our society as a whole, it is our duty to emphasize the fact that the price adjustment which the Venezuelan economy is going through runs the risk of turning into permanent and growing inflation if the government does not achieve at least a 3-percent reduction in the budget deficit in terms of the gross national product, as has been announced in its program of economic adjustment. This will require strict discipline in public expenditures;
- If, as, and when the government implements in expedited form a customs reform program which will make it possible, we are committed to guarantee to the consumers the distribution and supply of consumption goods at reasonable prices and to provide the consumers with information as to where to obtain such goods freely, taking into account the various, available offers, thereby making their expenditures for such goods less costly;
- We observe with concern the fact that, in apparent contradiction to the objectives already announced, consideration is being given to reviving programs which constitute state intervention in the distribution of foods, such as the Corporacion de Mercadeo Agricola [Agricultural Marketing Corporation]. This corporation was recognized by all concerned as the greatest channel and focus of corruption in our history as an independent country, until the adoption of the economic recovery program. The government must be clear regarding whether the sacrifices which now are asked of businessmen, professional people, technicians, and office and manual workers—who in the last analysis are all consumers—will lead to a greater expansion in the role of the government. If this were to happen, then these sacrifices will have been in vain;
- We deplore the fact that measures of adjustment are being taken without considering their legality, as in the case of floating interest rates and the disregard of foreign exchange parity for imports. This measure is clearly unconstitutional because of its retroactive feature. It is only by the rule of law that a state of law concerning individual property can be guaranteed, which will generate confidence and the propensity of private persons to invest;
- We reiterate our request that the state also assume its share of sacrifices in the adjustment program, bearing in mind that in Venezuela the state is not "the nation in organized form," as it should be, but the synonym for the government and the political elements which control it, at the expense of a civilian society which up to now has not participated in the making of great decisions.

* Energy Minister on Oil Prices, Iraqi Delegation

33480178b Caracas EL NACIONAL in Spanish
26 Apr 89 p D-7

[Article by Cayetano Ramirez: "Factors Outside the Control of OPEC Are Those Disturbing the Petroleum Market"]

[Text] Minister of Energy and Mines Celestino Armas has stated that OPEC considers that just and stable prices for petroleum are the most convenient for all concerned and does not agree with abrupt and large price increases.

Armas stated that at present communications are continuing between OPEC ministers to exchange information and opinions on market developments. On 25 April he spoke with Doctor Subroto, the secretary general of the organization.

He said: "One of the things which we have been talking about concerns our interest in having world public opinion understand the true position of OPEC on changes in petroleum prices. We continue to seek stability in world trade in hydrocarbons, through ensuring certain and reliable supply and reasonable and convenient prices for producers and consumers. We do not want any crisis involving violent increases in prices."

The minister commented on recent increases in the prices of petroleum products driven by various developments, including major accidents in Alaska and in the North Sea which have resulted in substantial reductions in the petroleum production of those areas. Equally, the entry into force of new environmental restrictions in the United States and Europe, which established more rigid provisions concerning nonpolluting gasoline products, has also contributed to increases in the prices of fuels. Also a part of the reason is the fact that these developments have coincided with the beginning of spring, when automobile travel increases and with it the consumption of gasoline.

He said: "OPEC has an interest in ensuring that information is not distorted and that the organization is not blamed for the increases in the prices of petroleum and refined products, because these increases are for reasons not subject to control by the organization."

Armas added that it should not be forgotten that the high prices of many fuels in the developed, consuming countries are due to the high taxes which their governments collect on them.

He stated: "I would like to pass on the message that if unexpected increases are now occurring in the price of petroleum products, it is due to the factors I have mentioned and not to an OPEC policy. On the contrary, the organization wants stable and reasonable prices."

In answer to a question he said that at present the price of the OPEC basket of crude oil, an average of the price of seven kinds of crude oil, is above $18 per barrel. However, the cumulative price so far this year has not yet reached this figure and is above $17 per barrel. In terms of the Venezuelan export package, the price is now about $17 per barrel, and the cumulative average price is in the order of $15.50 or slightly more per barrel.

OPEC Is Not Producing in Excess at Present

Commenting on reports that OPEC is allegedly producing rather more than what is indicated by the overall ceiling, Celestino Armas stated that the official figures mentioned by Doctor Subroto, the secretary general of the organization, indicate that the 11 OPEC member countries which have supplied official figures (not including Qatar and the United Arab Emirates) are producing slightly below their quotas. They are producing in the order of 1.15 [as published] million barrels of petroleum daily. Including the production of the two other members, total OPEC production is a little above 18.5 million barrels of petroleum daily, which is the OPEC ceiling. However, it is less than 19 million barrels of petroleum daily.

Celestino Armas observed that this figure compares favorably with the crisis of 1988, when OPEC production reached 22 million barrels per day.

Positive Results of the Visit of an Iraqi Delegation to Venezuela

On the morning of 26 April Celestino Armas met with Mohammed Rida Al Shididi, Iraqi deputy minister of petroleum, who heads an Iraqi delegation presently visiting Venezuela. Asked about the significance of this visit, he said that it was very positive.

He said: "We are happy about this visit because bilateral and multilateral relations among the OPEC countries are already beginning to take concrete form on matters not solely limited to petroleum questions."

He said that prospects have been raised for technical cooperation and for the broadening of relations and trade. The countries of the Persian Gulf know that Venezuela has experience and advanced processing techniques in refining heavy crudes. Iraq has recently found crude oils of this kind and is interested in learning about the progress made by Venezuela on this subject. The Iraqi delegation, which consists of a group of experts in the fields of petroleum, technology, and heavy industry, is interested in going directly to various centers of activity in Venezuela. It is a mission to explore in timely fashion areas of interest for trade.

The minister said that these exchanges will make it possible to broaden the ties of cooperation between the OPEC member countries. On the evening of 26 April President Perez received the Iraqi delegation at Miraflores.

In reply to a question on the prospect that OPEC would now increase its production, Armas said that, following contacts at the ministerial level, it is not thought that any country is planning to increase its production unilaterally.

He said that OPEC is now on the alert and is closely following the behavior of the market. If necessary, the Tracking Committee would meet.

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